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CITY OF RICHARDSON

Annual Comprehensive Financial Report For Fiscal Year Ended September 30, 2025

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CITY OF RICHARDSON, TEXAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

Prepared By:
DEPARTMENT OF FINANCE

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City of Richardson, Texas
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INTRODUCTORY SECTION

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February 27, 2026

Honorable Mayor and City Council,
Citizens of the City of Richardson, Texas:

The Annual Comprehensive Financial Report ("ACFR") of the City of Richardson ("City") for the fiscal year ended September 30, 2025, is submitted in accordance with applicable local ordinances and state statutes. These requirements mandate that the City annually reports on its financial position and activities and that the report be audited by an independent firm of certified public accountants.

The City Council selected Crowe LLP, a public accounting and consulting firm that provides audit, tax, and consulting services to public and private entities, to audit the City's financial statements. The independent auditor's report is presented as the first page of the financial section of the ACFR, immediately preceding Management's Discussion and Analysis.

The City is responsible for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures. Management is responsible for establishing and maintaining an internal control structure designed to protect the City's assets from loss, theft, or misuse and to ensure that adequate accounting data is compiled to ensure the preparation of financial statements in conformity with Generally Accepted Accounting Principles ("GAAP"). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

Management provides a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis ("MD&A"). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A is presented immediately following the independent auditors' report.

City Council
September 30, 2025

Mayor
Amir Omar

Mayor Pro Tem Place 5
Ken Hutchenrider

Place 1
Curtis Dorian
Place 2
Jennifer Justice
Place 3
Dan Barrios
Place 4
Joe Corcoran
Place 6
Arefin Shamsul

City Manager
Don Magner

PO Box 830309
Richardson, TX
75083-0309
972-744-4100 Telephone
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Profile of the Government

The City, located in North Central Texas, was originally incorporated in 1925, with the first Charter being adopted in 1956 and the latest revision made in November 2015. A Citizen Charter Commission was appointed by the City Council to review the Charter and make recommended changes for the May 2026 election. The City currently has a land area of 28.5 square miles and an estimated population of 122,745. The City is a home rule city and operates under the Council-Manager form of government. Richardson voters simultaneously elect six Council members and a Mayor to represent them every two years. All Council members and the Mayor are elected at large, with four Council members representing each of the City's four districts. Terms of office for all Council positions are for two consecutive years.

The City provides its citizens with a full range of services including police and fire protection, emergency ambulance service, water and sewer service, solid waste disposal, park and recreational activities, cultural events, and a library. In addition, the City provides planning for future land use, traffic control, building inspection, and community services and operates two eighteen-hole golf courses. The City also operates the Charles W. Eisemann Center for Performing Arts and Corporate Presentations, which is a multi-venue performing arts and presentation center. Certain parks and recreation and administrative services are performed by the Richardson Improvement Corporation, which functions as a department of the City of Richardson and therefore has been included as an integral part of the City's financial statements. Additional information on this legally separate entity can be found in the notes to the financial statements (see note 1.a.)

Financial Information

Activities of the general, debt service, water and sewer, solid waste, special revenue, and internal service funds are included in the annual appropriated budget. The City Council is authorized to transfer budgeted amounts within and among departments and ratifies, through the Budget Ordinance, any transfers and/or amendments made by the City Manager. The legal level of budgetary control is at the fund level; therefore, total expenditures for each fund may not exceed the total budgeted expenditures for that fund.

Purchase orders that exceed appropriated balances are not released until reviewed and approved by the City Manager or the City Manager's designee. Departmental appropriations that are not expended lapse at the end of the fiscal year, and budgeted funds not used during the fiscal year are not available for departmental use unless reappropriated in the budget for the ensuing fiscal year.

The City maintains an encumbrance accounting system as a means of budgetary control. Encumbrance accounting is used to record commitments related to unperformed contracts for goods or services, such as purchase orders, to ensure that budgeted resources are available when the obligations are ultimately paid. Encumbrances outstanding at year-end are reported within the appropriate fund balance classifications, based on the purposes for which the encumbrances were established, and may be classified as assigned, committed, or restricted fund balances. Encumbrances do not constitute expenditures or liabilities, and the related commitments are honored in the subsequent fiscal year. The City amends the budget at the end of each fiscal year to provide for additional expenditures or expenses, reductions in other expenditures or expenses, or supplemental revenues to fund such amendments.

Richardson's Economic Environment

The City of Richardson is a significant employment center within the Dallas–Fort Worth Metroplex ("DFW"). The City's economy is diverse, with businesses operating across a range of technology and non-technology industries, including financial services, semiconductors, telecommunications, and healthcare. This diversity reflects the area's continued attractiveness to companies representing a broad spectrum of business sectors. Richardson benefits from proximity to higher-education institutions, a highly skilled labor force, established transportation networks, adequate infrastructure, lodging and meeting facilities, and the presence of major corporate employers, all of which support the City's ability to attract and retain businesses.

Richardson is strategically positioned in DFW with access to regional destinations via major roadways and public transit. Central Expressway (US 75), a primary north-south transportation corridor runs through the City, while LBJ Freeway (IH-635) lies immediately to the south and the President George Bush Turnpike borders the City to the north, providing convenient access to DFW Airport.

The City is also served by the Dallas Area Rapid Transit ("DART") Light Rail system, which parallels Central Expressway and includes four stations within Richardson: Spring Valley, Arapaho Center, Galatyn Park, and CityLine/Bush. In addition, the DART Silver Line began revenue service in October 2025. The Silver Line follows the Cotton Belt Regional Rail Corridor through the northwest portion of the City, extending from Plano in the east through Richardson and connecting to DFW Airport, where it links with the TEXRail Line serving downtown Fort Worth. The Silver Line includes two stations in Richardson, at the University of Texas at Dallas and CityLine/Bush, adjacent to the existing Light Rail station. The project also includes a hike and bike trail along the length of the corridor.

To leverage these transportation assets for development and redevelopment purposes, the City has implemented three Tax Increment Financing (TIF) Districts. Incentives are evaluated on a case-by-case basis using key considerations including anticipated taxable value creation, employment impact, industry growth potential, and alignment with the City's approach to economic development.

TIF District #1 was established in November 2006 and encompasses 1,777 acres including both sides of the US 75 corridor from Campbell Road south to Spring Valley Road and extending west from US 75 along Spring Valley Road to Coit Road. Dallas County participates financially in TIF District #1. The district includes an approximate 1,200-acre area east of US 75 known as The Richardson Innovation Quarter ("The IQ®").

TIF District #1 includes numerous developments as well as the City's CORE District. The CORE District encompasses the area starting just west of US 75 near Belt Line Road and continuing east as Belt Line Road transitions to Main Street, ending east of Richardson's historic downtown. The CORE District includes five distinct destination areas that include Chinatown, Downtown, Heights, Interurban, and Lockwood. Belt & Main is a mixed-use multi-family development in the Downtown district that added 350 apartment units and 80 future townhome units, a parking garage with public spaces, retail and commercial space. The CORE District is home to the City's Police Headquarters and Fire Station #1.

The IQ® is a 1,200-acre living laboratory with a rich heritage of innovation and entrepreneurship generally bounded by US 75, Campbell Road, Plano Road, and Apollo Road. With over 1,100 businesses and 20,000 workers, The IQ® is home to technology-related start-ups, manufacturers, nonprofit organizations, corporate research and development, restaurants, multi-family developments and more. The IQ® "Headquarters", or "IQHQ", is a 27,500-square-foot building in The IQ® that houses UT Dallas Catalyst which includes research centers and office space for entrepreneurs and startups, the City's Economic Development Department, the DORADO 5G Open Lab and Startup Runway as well as space for programming, networking and events focused on attracting entrepreneurial activity to the area.

The City continued progress on its revitalization strategy through projects supported by TIF District #1. During the fiscal year, two significant projects were advanced under this framework. The first of these projects is the downtown redevelopment of Trammell Crow/High Street. This 275-unit multifamily development is projected to generate more than $72 million in new taxable value upon completion. City participation through the TIF included a $10.6 million development grant, donation of land valued at approximately $2.5 million, and $9.9 million in public realm improvements.

The second project, at 250 E. Arapaho Road, consists of a 437-unit multifamily development with structured parking and is projected to increase taxable value by $70 million. City participation through TIF District #1 includes a $6.5 million development grant and a 15-year, 50% property tax rebate.

TIF District #2, established in November 2011, is bounded by President George Bush Turnpike on the north, Wyndham Lane on the east, Renner Road on the south, and the DART Light Rail line on the west. TIF District #3, established in November 2011, is bounded by President George Bush Turnpike on the north, the DART Light Rail line on the east, Renner Road on the South and has its western boundary between Alma Road and US 75. Collin County participates financially in TIF District #2 and TIF District #3.

TIF District #2 and TIF District #3 collectively include 241 acres that are better known as CityLine. The combined developments include corporate office buildings anchored by State Farm and Raytheon, over 2,500 apartment and town home units, hotels, a wellness office building and fitness center anchored by Texas Health Family Care and Children's Health Specialty Center, 150,000 square feet of restaurants and retail space, DART Light Rail and Silver Line stations, and two City parks with connectivity to regional trails and nature preserves. This unique lifestyle destination balances spaces to live, work and play while the compact layout offers easy access to all its amenities. CityLine is not fully built out, with additional acreage available for development.

Outside of the City's TIF Districts, Richardson's highlights include Texas Instruments' 1.1 million square foot semiconductor manufacturing facility on Renner Road that produces 300-mm analog wafer chips. A second, 300-mm wafer fab is in production and supports the future growth of semiconductors. Richardson is home to the University of Texas at Dallas, with more than 31,000 students enrolled in more than 140 academic programs including top-ranked programs in STEM, management, liberal arts and social sciences majors. The university's STEM programs are a major draw and labor source for the City's high-tech companies. The university continually upgrades its infrastructure through campus reinvestment, ensuring a state-of-the-art experience for students. Richardson is also home to the Methodist Richardson Medical Center ("MRMC").

This full-service medical center offers enhanced health care services to residents of Richardson and surrounding communities. MRMC includes two campuses, the primary campus on Renner Road at President George Bush Turnpike and a secondary campus on West Campbell Road near US 75. Combined, the two facilities have nearly 400 beds and employ over 400 physicians.

Recent Developments

Richardson's local economy continues to demonstrate strength and resilience, built upon a well-established urban environment and a globally connected community. The City benefits from a diverse business ecosystem that includes industry leaders, innovative startups, a highly skilled workforce, and premier research institutions, all supported by a business-friendly and collaborative atmosphere that provides access to City leadership. The City continues to closely monitor property tax values and the revenues generated from the corresponding property taxes to ensure long-term fiscal stability and prudent financial planning.

With interest rates continuing to adjust and inflation at 2.7 percent for the 12 months ending December 2025, the City remains well-positioned to sustain economic growth and attract continued private investment. As employers increasingly return to in-office operations, Richardson has emerged as a regional leader in large office leasing activity, capturing 41 percent of all Dallas–Fort Worth office lease transactions exceeding 50,000 square feet, according to CoStar. In addition, the City has experienced significant economic development investment over the past year, as highlighted below, further reinforcing Richardson's position as a leading destination for business growth and expansion.

Halff Associates, Inc.: The local infrastructure consulting firm expanded its largest firmwide office and will retain and grow its workforce, enhancing full-service engineering and related services in Richardson. Halff will be relocating from their existing office building at 1201 N. Bowser Road to the Galatyn Commons Office Park at 2380 Performance Drive, where they will be making a significant investment.

Lockwood Distilling Co.: The Richardson distillery is expanding its operations by leasing an additional 19,600 square feet at 816 S. Sherman Street. The expansion will support the growth of bottling and storage operations and will complement the company's existing facility at 506 Lockwood Drive.

Micron Technology, Inc.: A global leader in memory and storage solutions, Micron relocated operations to Richardson, leasing 67,440 square feet across three floors at 1500 N. Greenville Avenue. The relocation is expected to generate approximately 248 new jobs over a four-year period and will include tenant interior improvements to the leased space.

KLOwen Orthodontics: The digital orthodontic solutions company expanded its Richardson operations by leasing 24,850 square feet of office and lab space located at 1703 N. Plano Road. The company relocated from 1900 Firman Drive, retaining 46 jobs with plans to create an additional 127 jobs over the next five years.

JP Analytical: The City of Richardson awarded a Research Award Match Program ("RAMP") grant to this startup company specializing in advanced materials research, surface science, and nanotechnology. Following the receipt of a federal Small Business Innovation Research ("SBIR") program award, the company intends to advance its research and development activities in The IQ®.

Shops at Eastside: The new owner of the 4.5-acre retail development located at the southeast corner of Central Expressway and Campbell Road commenced with the renovations of the property, multiple retail buildings, and an open space area. Improvements included upgrades to tenant spaces and common areas, as well as improvements to landscaping and open spaces.

Lakeside Commercial: The property owner is renovating and modernizing seven floors of a 16-story building to accommodate AT&T in 186,000 square feet of office space at 2221 Lakeside Boulevard. The project will retain and create approximately 1,600 jobs at the development.

1Finity Americas, Inc. (formerly Fujitsu Network Communications): The global digital transformations solutions provider intends to consolidate its Dallas and Richardson operations into a new Richardson location at 2380 Performance Drive at Galatyn Commons. The company will lease approximately 65,000 square feet of office space, make a significant capital investment, and retain and create 795 jobs.

IntelliEPI: The City of Richardson awarded a RAMP grant to this startup business focused on manufacturing epitaxy-based compound semiconductors for use in sensing and imaging applications. The company is in The IQ® at 1250 E. Collins Boulevard and received the grant following a US Department of Defense SBIR Phase II award.

Startup Runway at IQHQ: The City and Startup Runway extended its strategic partnership through the end of FY2026 to enhance international economic ties and foster continued innovation within The IQ® business community and throughout the City. Their program is dedicated to empowering foreign companies as they navigate new markets, providing them with the resources, mentorship, and strategic connections needed to thrive in competitive environments.

Collins Aerospace: The aerospace and defense technology company plans to expand production and renovate its Richardson facilities at 1717 E. CityLine Drive and 3200 E. Renner Road. Recently awarded a US Department of Defense contract, the company anticipates a significant capital investment over the next four years. The project was also awarded by a Texas Enterprise Fund (TEF) grant for over $3.7 million.

Tax Abatements and Economic Incentives

Many of the developments mentioned in the previous section were made possible by economic development agreements designed to promote development and redevelopment within the City, stimulate commercial activity, generate additional sales tax or enhance the property tax base and economic vitality of the City. More details on these programs are available in Note 16 of this document and at www.cor.net/transparency. At any time, the City has numerous active incentive agreements. The only material agreement under the City's incentive program is the tax abatement and related Chapter 380 agreement with Texas Instruments. This agreement resulted in the abatement of $12,385,237 in taxes and the reduction of water and sewer charges of $14,279,617 in Fiscal Year 2025. In Fiscal Year 2004, the year prior to construction of the Texas Instruments facility, the City received $75 in property taxes on the undeveloped land. Net of the abatement, the City received $5,786,096 in property taxes and $21,383,975 in water and sewer revenues in Fiscal Year 2025. Texas Instruments is the number one utility (water and sewer) consumer in the City. Additionally, Texas Instruments chose to increase its Richardson presence by the current expansion of their manufacturing facility. None of this investment would have been possible without economic incentives.

Long-term Financial Planning

The $45,849,990 unassigned fund balance in the General Fund is the equivalent of 91.49 days of expenditures and transfers on a budgetary basis which exceeds the fund balance requirement of 90 days. The City continues to transfer fund balance in excess of 90 days for future capital needs and cash funded maintenance initiatives. In addition, the City utilizes fund balance in excess of minimum requirements to enhance the capital improvements program.

On an annual basis, the City studies a five-year plan for evaluating tax rates and utility rates as they relate to debt financing for capital needs and the operating costs of providing services to citizens. As part of these evaluations, the City budgets a portion of property tax receipts for recurring transfers for street and alley rehabilitation, neighborhood park maintenance, economic development, facility maintenance, and general vehicle and equipment replacement. Recurring transfers provide funding for community needs on a pay-as-you-go funding strategy.

Major Capital Initiatives

In November 2021, voters of the City of Richardson approved a five-year General Obligation bond program totaling $190 million. The program includes $102 million for street and alley improvements; $64 million for renovations of public buildings including the Library and City Hall; $8.5 million for sidewalks improvements; $8 million for drainage improvements, and $7.5 million for park improvements including the activation of two undeveloped properties.

Following a fire at City Hall on August 22, 2022, voters of the City of Richardson approved a $46 million bond program in May 2023 to rebuild City Hall on Arapaho Road. The initial bond issuance, which included design expenditures, was completed in the spring of 2024 as part of the combined $67.5 million issuance authorized under the City's 2021 and 2023 General Obligation Bond programs.

Upon the completion of the $67,530,000 bond sale in FY 2024, the City had $90,845,000 remaining in authorized but unissued 2021 and 2023 General Obligation Bond authorizations. In April 2025, the City sold $61.3 million in General Obligation Bonds, with the remaining $27.15 authorized under the 2021 and 2023 bond programs expected to be issued in the spring of 2026.

In 2026, the City of Richardson will again go to the voters seeking approval of a general obligation bond program totaling $223.4 million. This program includes $132.2 million for streets and alleyways, $36 million for the design and construction of Fire Station No. 7, construction of a fire apparatus building, and an addition to Fire Station No. 6, $22.2 million for park and recreational facilities, $16.5 million for sidewalks, and $16.5 million for drainage and flood control improvements.

The FY 2025-2026 budget continues to build on prior efforts focused on People, Public Safety, and Infrastructure Projects. Other highlights include no change to the City's tax rate, an increase in the senior tax exemption to $160,000, and fund balances maintaining a 90-day expenditure level.

CITY OF RICHARDSON, TEXAS

Transmittal Letter

September 30, 2025

Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Annual Comprehensive Financial Report for the fiscal year ended September 30, 2024. This was the forty-ninth year that the City received this prestigious award. To be awarded a Certificate of Achievement, a municipality must publish an Annual Comprehensive Financial Report that is clearly written, well organized, and in full compliance with Generally Accepted Accounting Principles ("GAAP") and all applicable legal requirements. This report meets all applicable accounting and legal requirements.

A Certificate of Achievement is valid for a period of one year. We believe our current Annual Comprehensive Financial Report continues to satisfy the requirements of the Certificate of Achievement Program and will be submitting it to GFOA for consideration of the City's' fiftieth consecutive year of eligibility.

The preparation and presentation of this Annual Comprehensive Financial Report would not have been possible without the expertise, dedication, and commitment of the Finance Department staff, particularly the Accounting division, whose efforts and long hours were instrumental in completing this report.

Appreciation is also extended to all City departments for their cooperation and assistance in providing the information necessary for its preparation. In addition, the Mayor and City Council are acknowledged for their continued interest, leadership, and support in maintaining high standards of professionalism and sound fiscal management in the City of Richardson's financial operations.

Sincerely,

Don Magner
City Manager

Kent Pfeil, CGFO
Chief Operating Officer

Todd Gastorf, CGFO
Director of Finance

Aimee Rae Ferguson
Assistant Director of Finance

Herman Chavez, CPA
Controller

CITY OF RICHARDSON, TEXAS
PRINCIPAL OFFICIALS
SEPTEMBER 30, 2025

CITY COUNCIL

AMIR OMAR, MAYOR
KEN HUTCHENRIDER, MAYOR PRO TEM
DAN BARRIOS
JOE CORCORAN
CURTIS DORIAN
JENNIFER JUSTICE
AREFIN SHAMSUL

CITY MANAGER

DON MAGNER

CHIEF OPERATING OFFICER

KENT PFEIL

ASSISTANT CITY MANAGERS

MICHAELA DOLLAR
DANNETTE GARCIA
CHARLES GOFF

DIRECTOR OF FINANCE

TODD GASTORF

CONTROLLER

HERMAN CHAVEZ

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

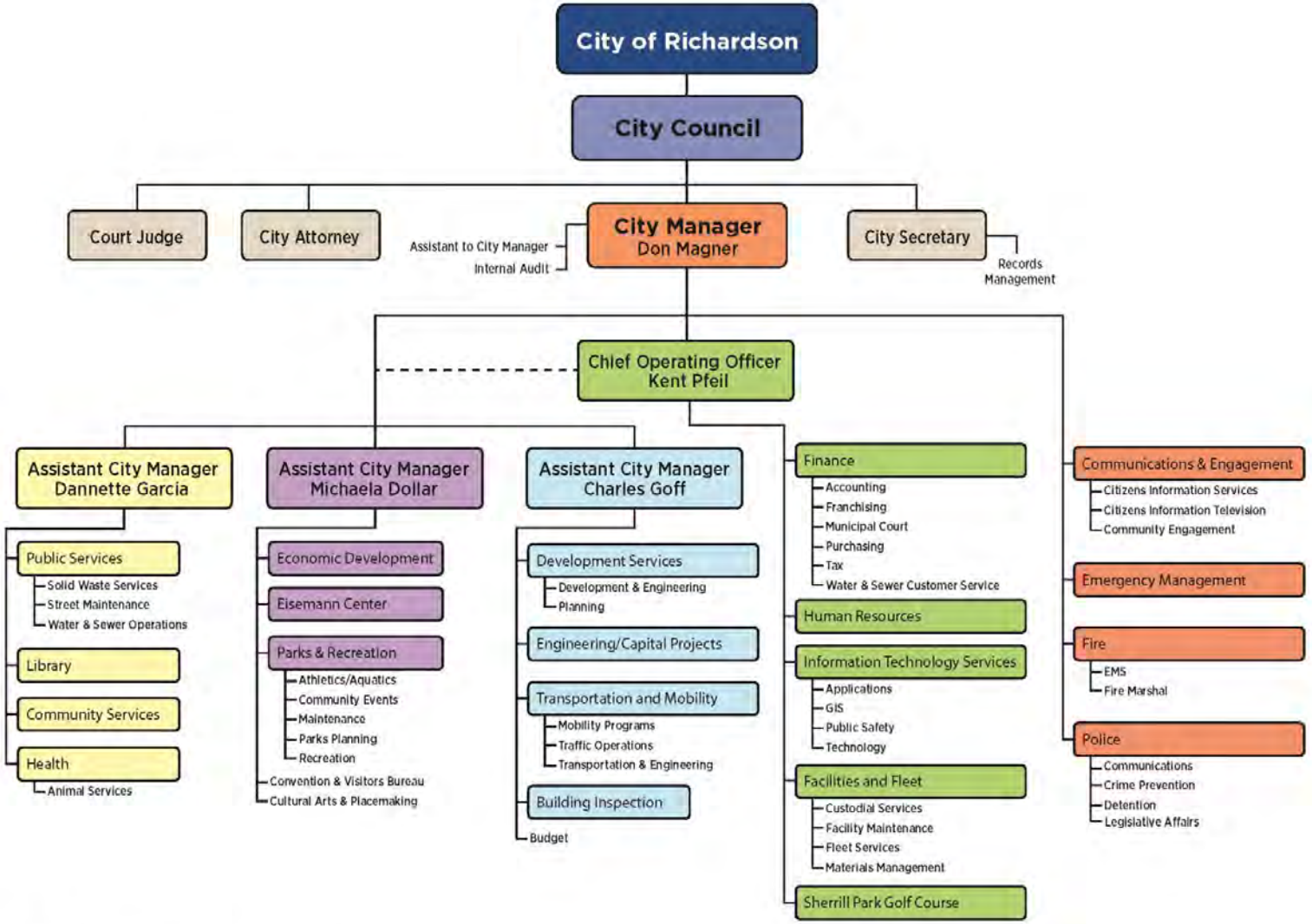
City of Richardson
Texas

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2024

Christopher P. Morrill

Executive Director/CEO



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FINANCIAL SECTION

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AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of City Council
Richardson, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Richardson (the "City"), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States *(Government Auditing Standards)*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America (GAAS), and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

(Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis,* and the Required Supplementary Information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

(Continued)

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The individual and combining fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual and combining fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 27, 2026 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Crowe LLP

Dallas, Texas
February 27, 2026

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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Management of the City of Richardson (the "City") provides this Management's Discussion and Analysis ("MD&A") as an overview of the City's financial activities and financial position for the fiscal year ended September 30, 2025. This narrative is intended to assist readers in understanding the City's financial performance, overall fiscal condition, and key factors that influenced financial results during the year. The City's long-term financial health depends on a stable and growing tax base, responsible fiscal stewardship, and strategic investment in services and infrastructure to sustain service levels and community desirability for the future.

Financial reporting does not fully capture the broader economic and community context; rather, it focuses on the City's financial position and changes in financial position. Key considerations include whether revenues and expenditures increased or decreased compared to the prior year and whether net position (total assets and deferred outflows less liabilities and deferred inflows) and fund balances (current spendable resources less current liabilities) were maintained or improved. Readers are encouraged to consider this analysis in conjunction with the Letter of Transmittal (beginning on page 1), the Statistical Section, the adopted Annual Budget, and other community information available on the City's website at www.cor.net.

The Independent Auditor's Report describes the auditor's responsibility and level of assurance associated with the various sections of this report. Information obtained from the City's website and other supplemental sources is unaudited and may not reflect events occurring subsequent to the issuance of those respective reports.

FINANCIAL HIGHLIGHTS

The City's overall net position increased by $50.3 million from FY2024, with Governmental Activities rising $44.5 million and Business-Type activities increasing slightly by $5.8 million. Capital assets grew 13.6%, or $103.7 million, during the year, while liabilities increased $15.5 million. Compared to FY2024, current and other assets decreased $9.3 million, restricted net position declined $8.8 million, and unrestricted net position fell $9.7 million. At September 30, 2025, the City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows by $572.3 million representing the City's net position, of which $375.8 million is for net investment in capital assets, $142.2 million is restricted for specific purposes, and $54.3 million is available for ongoing obligations in accordance with the City's fiscal policies.

City of Richardson's governmental funds' combined ending fund balances on September 30, 2025, totaled $310.2 million. The General Fund's unassigned fund balance was $45.8 million, representing 25.1% of total General Fund expenditures and transfers out.

The City's capital assets, net of accumulated depreciation and amortization, increased approximately $103.7 million, or 13.6%, in FY2025. Major additions included construction in progress of $61.8 million, infrastructure of $35.8 million, and vehicles, machinery, and equipment totaling $5.9 million, reflecting continued investment in public facilities and infrastructure.

Principal balances of the City's capital long-term debt increased 7.8%, or $42.7 million, during FY2025, reflecting the sale of general obligation bonds for governmental activities and certificates of obligation for business-type activities (see Table 4). The increase was primarily due to normal and planned debt activity. For the year ended September 30, the City implemented GASB Statement No. 101, *Compensated Absences*, which requires recognition of a liability for employee leave (Vacation, Sick, and PTO) that is "more likely than not" to be used or paid out; previously, the City was only required to recognize leave that was required to be paid.

Deferred outflows of resources decreased $16.7 million, primarily due to changes in the pension liability, while deferred inflows increased $12.0 million, largely related to the net changes to the OPEB liability, reflecting shifts in long-term benefit obligations recognized in the City's net position.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts; Management's Discussion and Analysis (this section), the basic financial statements, required supplementary information and combining statements for nonmajor governmental funds and internal service funds.

The basic financial statements include two kinds of statements that present different perspectives of the City's finances. The Government-Wide Financial Statements provide information about the City as a whole presenting both short-term and long-term financial position and results of operations. The Fund Financial Statements focus on individual parts of the City's government and report operations in greater detail than the government-wide statements. Governmental Fund Statements provide a short-term view of how general government services, such as Public Safety, were financed during the fiscal year. Proprietary Fund Statements present both short-term and long-term financial information for activities that operate similarly to businesses, such as the City's Water and Sewer System.

The financial statements also include notes that explain information presented and provide additional detail. The statements are followed by required supplementary information that further supports and explains the financial statements. In addition to these required elements, the report includes combining statements that provide detailed information about nonmajor governmental funds and internal service funds, which are aggregated and presented in single columns in the basic financial statements.

Government-Wide Financial Statements: The government-wide financial statements include the Statement of Net Position and the Statement of Activities. These statements provide a broad overview of the City's finances in a manner similar to a private-sector business. They are prepared using the economic resources measurement focus and the accrual basis of accounting, meaning revenues and expenses are recognized in the period in which they are earned or incurred, regardless of when cash is received or paid.

The Statement of Net Position presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term obligations. The difference between these elements is reported as net position. Over time, increases or decreases in net position may serve as an indicator of whether the City's financial position is improving or deteriorating. Other factors, such as changes in the City's property tax base and condition of infrastructure (i.e., roads, drainage systems, and water and sewer lines), should also be considered in assessing the City's overall financial condition.

The Statement of Activities presents information on how the City's net position changed during the fiscal year. It reports both the gross and net costs of governmental functions and identifies the extent to which those costs are financed by program revenues or general revenues.

The government-wide statements classify the City's activities into two categories:

> *Governmental Activities.* Most of the City's basic services are reported in this category, including General Government, Police and Fire Protection, Emergency Ambulance Service, Planning and Development, Traffic Control, Building Inspection, Public Health, Neighborhood Services, Park and Recreation, Cultural Events, and Library Services. These activities are primarily financed through property taxes, sales taxes, and franchise fees.
>
> *Business-Type Activities.* Activities for which the City charges fees to recover most or all of the costs of services provided are reported here. The City's business-type activities include water distribution, wastewater collection and solid waste collection and disposal.

Fund Financial Statements: The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. A fund is a grouping of related accounts used to maintain control over resources segregated for specific activities or objectives. The fund financial statements focus on the City's most significant funds and provide more detailed information about its major activities. The City's funds are classified into two categories: governmental funds and proprietary funds.

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

Governmental Funds. Governmental funds account for the majority of the City's activities and generally correspond to the governmental activities in the government-wide financial statements. Unlike the government-wide statements, however, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, and the balances of spendable resources available at year-end. This information is useful in evaluating the City's near-term financing requirements.

Because the governmental fund statements use a narrower measurement focus than the government-wide statements, it is helpful to compare the information presented in the governmental funds with similar information presented for governmental activities in the government-wide statements. This comparison provides insight into the long-term impact of the City's near-term financing decisions. The governmental funds Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balances include reconciliations that explain the difference between the governmental fund statements and the government-wide statements.

The City reports 22 individual governmental funds. Separate information is presented in the governmental funds Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, Debt Service Fund, Capital Projects Fund, and the Hotel/Motel Tax Fund, each of which are considered a major fund. Data for the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for the nonmajor governmental funds is provided in combining statements elsewhere in this report.

Proprietary Funds. When the City charges customers for services it provides, those activities are generally reported in proprietary funds. The City maintains two types of proprietary funds: enterprise funds and internal service funds.

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer operations, and solid waste collection and disposal services. These services are primarily provided to external customers.

Internal service funds accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its warehouse operations, mail and records management, employee health insurance and for replacement of legacy information technology systems. Because these services primarily benefit governmental functions, they are included within governmental activities in the government-wide financial statements.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, but in greater detail. Separate information is presented for the enterprise funds, while internal service funds are combined into a single, aggregated presentation. Individual fund data for the internal service funds is provided in the combining statements elsewhere in this report.

Notes to the Financial Statements: The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements.

Other Information: In addition to the basic financial statements and accompanying notes, the City adopts an annual appropriated budget for its General Fund, Water and Sewer Fund, Solid Waste Services Fund, Debt Service Fund, and Hotel/Motel Tax Fund. Budgetary comparison schedules for these major funds are provided to demonstrate compliance with the adopted budget.

This report also includes required supplementary information concerning the City's progress in funding its obligation to provide pension and other postemployment benefits (OPEB). The combining statements for nonmajor governmental funds and internal service funds, along with related budgetary comparison schedules for the Debt Service Fund and nonmajor governmental funds, are presented following the required supplementary information.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net Position: At September 30, 2025, total assets were $1.36 billion, deferred outflows of resources were $22.3 million, while total liabilities were $764.0 million and deferred inflows of resources were approximately $50.2 million. These balances resulted in a net position balance $572.3 million, representing a 9.6% increase over the previous year (see Table 1).

The largest portion of the City's net position represents its investment in capital assets (including land and improvements, public art, buildings, infrastructure, vehicles, machinery, equipment, and right-to-use assets), net of accumulated depreciation and amortization and reduced by the outstanding debt issued to acquire those assets, adjusted for unspent bond proceeds. These capital assets are used to provide services to its residents and, therefore, are not available for future spending. Although the City reports its capital assets net of related debt, the resources needed to repay that debt must be provided from other sources, as the capital assets themselves cannot be used to liquidate the associated liabilities.

An additional portion of net position represents resources that are subject to external restrictions on their use. The City's unrestricted net position of $54.3 million (9.5%) represents general resources that may be used for any lawful purpose. Overall, the City's net position increased approximately $50.3 million from the prior fiscal year. The reasons for this increase are discussed in the following sections for governmental activities and business-type activities.

Table 1
City of Richardson
Net Position
(In thousands)

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2025	2024	2025	2024	2025	2024	2024-2025
Current and other assets	$ 385,624	$ 393,188	$ 111,995	$ 113,704	$ 497,619	$ 506,892	(1.8)%
Capital assets	702,050	609,377	164,541	153,528	866,591	762,905	13.6 %
Total assets	1,087,674	1,002,565	276,536	267,232	1,364,210	1,269,797	7.4 %
Total deferred outflows of resources	18,315	32,611	3,941	6,374	22,256	38,985	(42.9)%
Other liabilities	54,939	43,684	18,658	25,998	73,597	69,682	5.6 %
Long term liabilities	567,672	562,965	122,688	115,875	690,360	678,840	1.7 %
Total liabilities	622,611	606,649	141,346	141,873	763,957	748,522	2.1 %
Total deferred inflows of resources	44,253	33,848	5,922	4,342	50,175	38,190	31.4 %
Net Position:							
Net investment in capital assets	302,916	246,251	72,876	60,776	375,792	307,027	22.4 %
Restricted	110,021	110,896	32,201	40,097	142,222	150,993	(5.8)%
Unrestricted	26,188	37,532	28,133	26,518	54,321	64,050	(15.2)%
Total net position	$ 439,125	$ 394,679	$ 133,210	$ 127,391	$ 572,335	$ 522,070	9.6 %

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (continued)

Changes in net position: The City's total revenues decreased by 1.2% to approximately $417 million in FY2025 (see Table 2). The largest declines occurred in operation grants and contributions, insurance and other recoveries and unrestricted interest earnings. Because the State of Texas only provides limited support to municipalities, the majority of the City's revenues are generated locally through taxes and fees. Approximately 45.6% of the City's revenues were derived from property and sales taxes, while charges for services accounted for 40.5% of revenues (see Figure 1).

Total expenses for all programs and services increased 6.9% to $367.2 million in FY2025 (see Table 2). The City's functional expenses cover a range of services with 34.6% attributable to public utility operations and 21.6% related to public safety activities (see Figure 2).

Figure 1 - Sources of Revenue for FY 2025

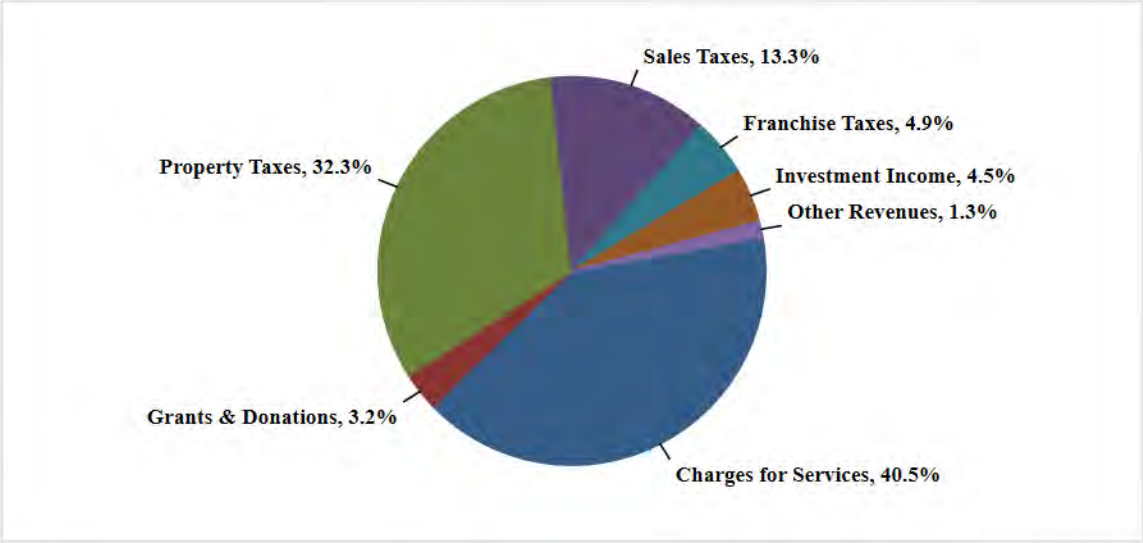
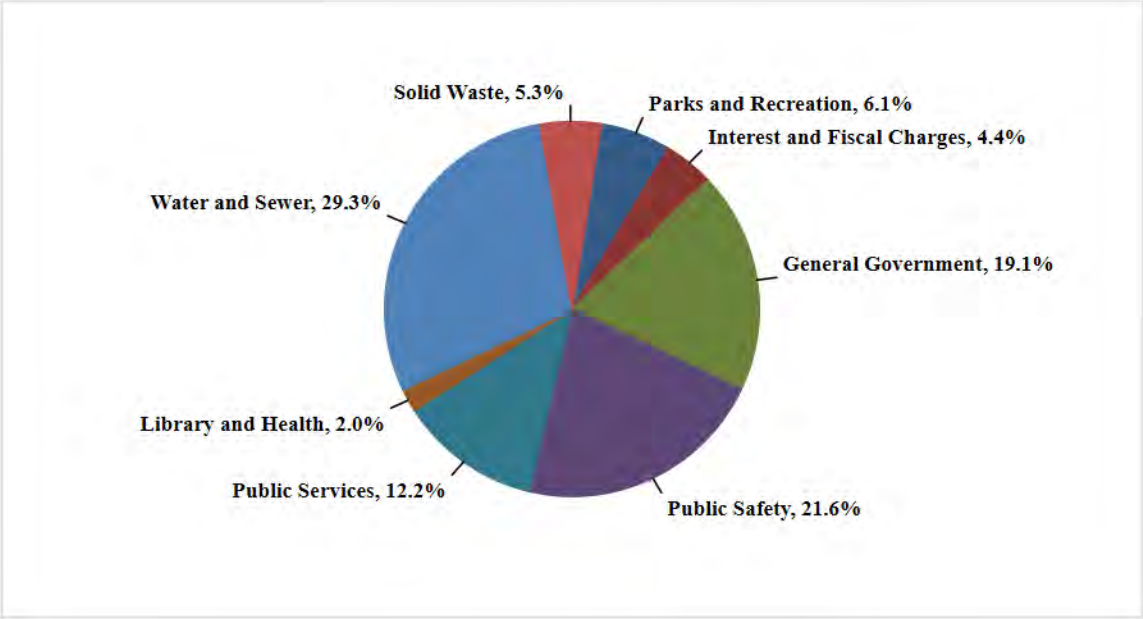


Figure 2 - Functional Expenses for FY 2025



FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (continued)

Governmental Activities: Net position increased approximately $44.4 million in FY2025. Charges for service increased $3 million, primarily due to higher activity at Sherrill Park Golf Course, increased recreation center utilization, and higher drainage fees. Property tax revenues increased 1.4% and sales tax revenues rose 3.0% compared to the prior year.

Overall revenues decreased compared to FY2024, primarily due to $14.2 million in insurance and other recoveries received in the prior year that did not recur in FY2025, Excluding this nonrecurring item, revenues increased modestly year over year.

General government expenses increased approximately $14.7 million. The City did not experience significant cost spikes; rather, saw a slight increase across all areas of government.

Business-Type Activities: Business-type activities increased net position by approximately $5.8 million in FY2025.

In the Water and Sewer Fund, total operating revenues were $109.6 million, an increase of $924 thousand over the prior year. Overall, water sales decreased $79 thousand, while sewer service revenues increased $1.7 million or 4.2% compared to the prior year due to a rate increase implemented at the beginning of the fiscal year. Total operating expenses were about $107.8 million, an increase of $7.7 million over the prior year. The largest increases were with purchased water and sewer treatment costs and personnel expenses.

Solid Waste Fund operating revenues were about $953 thousand greater than the prior year. Total operating expenses increased $1.3 million over the prior year, with landfill fees and general administrative costs accounting for the largest increases.

Additional information on program revenues and expenses can be found in the Statement of Activities for both Governmental and Business-Type Activities of the primary government.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (continued)

Table 2
City of Richardson
Changes in Net Position
(In thousands)

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2025	2024	2025	2024	2025	2024	2024-2025
Revenues:							
Program revenues:							
Charges for services	$ 39,874	$ 36,911	$ 129,054	$ 127,177	$ 168,928	$ 164,088	2.9 %
Operating grants and contributions	6,371	8,363	-	-	6,371	8,363	(23.8)%
Capital grants and contributions	6,986	1,624	-	-	6,986	1,624	330.2 %
General revenues:							
Property taxes	134,730	132,912	-	-	134,730	132,912	1.4 %
Sales taxes	55,353	53,763	-	-	55,353	53,763	3.0 %
Franchise taxes	20,255	19,462	-	-	20,255	19,462	4.1 %
Mixed beverage tax	817	811	-	-	817	811	0.7 %
Hotel/motel taxes	4,948	5,089	-	-	4,948	5,089	(2.8)%
Insurance and other recoveries	183	14,222	20	-	203	14,222	(98.6)%
Unrestricted interest earnings	14,925	17,473	3,643	4,247	18,568	21,720	(14.5)%
Total revenues	284,442	290,630	132,717	131,424	417,159	422,054	(1.2)%
Expenses:							
General government	70,133	66,931	-	-	70,133	66,931	4.8 %
Public safety	79,481	75,592	-	-	79,481	75,592	5.1 %
Public services	44,741	42,872	-	-	44,741	42,872	4.4 %
Library	4,719	4,455	-	-	4,719	4,455	5.9 %
Parks and recreation	22,309	21,123	-	-	22,309	21,123	5.6 %
Public health	2,563	2,415	-	-	2,563	2,415	6.1 %
Interest and fiscal charges	16,144	12,047	-	-	16,144	12,047	34.0 %
Water and sewer	-	-	107,849	100,168	107,849	100,168	7.7 %
Solid waste	-	-	19,284	17,981	19,284	17,981	7.2 %
Total expenses	240,090	225,435	127,133	118,149	367,223	343,584	6.9 %
Increase in net position before transfers, contributions and gains	44,352	65,195	5,584	13,275	49,936	78,470	(36.4)%
Gain on sale of assets	95	69	234	65	329	134	145.5 %
Transfers	-	(570)	-	570	-	-	- %
Increase in net position	44,447	64,694	5,818	13,910	50,265	78,604	(36.1)%
Net position - beginning	394,678	329,984	127,391	113,481	522,069	443,465	17.7 %
Net position - ending	$ 439,125	$ 394,678	$ 133,209	$ 127,391	$ 572,334	$ 522,069	9.6 %

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

Governmental Funds: The focus of the City's governmental funds is to provide information on near term inflows, outflows and the balances of spendable resources. This information is useful in assessing the City's short-term financing needs. In particular, the unassigned fund balance provides a measure of resources available for spending at the end of the fiscal year.

As of September 30, 2025, the City's governmental funds reported combined fund balances of approximately $310.2 million. Of this total, $45.8 million or 14.8% is unassigned and reported in the General Fund. The remaining $264.4 million or 85.2% is restricted, committed, or otherwise not available for general spending.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS (continued)

The General Fund is the City's primary operating fund. As a measure of liquidity, it can be useful to compare both the unassigned fund balance and total fund balance to total General Fund expenditures and transfers out. The unassigned fund balance represents approximately 25.1% of total expenditures and transfers out, while total fund balance represents 25.7%.

The General Fund's fund balance had an increase of approximately $780 thousand. Overall, revenues in the General Fund increased by about $6.3 million, or 3.6% compared to prior year. Most revenue sources showed modest gains, with the largest increases from sales tax and general administrative charges, each rising roughly $1.6 million. Total expenditures increased $2.4 million or 1.5% over the prior year. The City continued to prioritize Public Safety initiatives with expenditures representing 44.7% of General Fund activity or $70.9 million.

The Debt Service Fund has a fund balance of approximately $4.5 million, all of which is restricted for the payment of debt principal and interest. The City's financial policy is to maintain an ending fund balance equal to 30 days of expenditures in the Debt Service Fund each year.

The Capital Project Fund ended the year with approximately $215.6 million. Of this total, $135.2 million is restricted for future capital equipment purchases and construction projects. The fund balance decreased $11.6 million during the year, primarily due to the timing of capital asset acquisition and construction, with over $107.3 million spent on capital projects.

The Hotel/Motel Tax Fund ending balance of approximately $4.8 million has been assigned by City Council for the support of the performing arts center and related capital outlay needs. The fund's primary revenue source is hotel/motel taxes collected for lodging, which decreased by approximately $141 thousand to $4.9 million.

Other Governmental Funds reported an ending fund balance of $38.3 million as of September 30, 2025, representing a 4.3% decrease from FY2024. Revenues declined compared to the prior year, primarily due to decreases in property taxes and intergovernmental revenues. Expenditures increased 21.1% year over year, largely attributable to higher general government expenditures. Additional information related to the Other Governmental Funds can be found in the Combining Financial Statements included later in this report.

Proprietary Funds: The City's proprietary funds provide the same type of information presented in the government-wide financial statements, but in greater detail. Factors affecting the finances of the proprietary funds are discussed above in the Business-Type Activities section of this MD&A.

Unrestricted net position at year-end totaled $27.2 million in the Water and Sewer Fund and $(1.1) million in the Solid Waste Fund. The negative unrestricted net position in the Solid Waste Fund is primarily attributable to the recognition of long-term post-employment benefit obligations that will be funded in future years.

Total net position in the Water and Sewer Fund increased to $125.4 million, an increase of $5.2 million, or 4.3% over FY2024. The Solid Waste Funds' net position increased approximately $1.1 million or 22.7%, primarily due to a modest increase in solid waste fees and relatively stable operating expenses compared to prior year.

General Fund Budgetary Highlights: General Government revenues finished the year approximately $1.4 million, or less than 1.0%, above the final budget estimate. Property tax revenues were approximately $240 thousand below the final budget. Sales and other business tax revenues finished $389 thousand above the year-end budget of $76.7 million. The $76.7 million budget includes a mead -year increase of approximately $3.5 million.

General Government expenditures, including amounts encumbered prior to year-end but excluding transfers out, finished $6.3 million below year-end budget. The largest savings occurred in Parks and Recreation ($2.6 million), General Government ($1.6 million), and Public Services ($1.1 million). These savings were primarily due to vacant positions throughout the fiscal year and department-wide cost containment efforts.

CAPITAL, INTANGIBLE RIGHT-TO-USE & SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENT (SBITA) ASSETS AND DEBT ADMINISTRATION

Capital, Intangible right-to-use and SBITA Assets: As of September 30,2025, the City's investment in capital assets net of accumulated depreciation when applicable totaled approximately $866.6 million for both governmental and business-type activities (see Table 3). This investment includes land, public art, buildings, improvements, vehicles, machinery and equipment, infrastructure, intangible right-to-use, SBITA, and construction in progress. The total increase in the City's capital assets for the fiscal year was approximately $103.7 million, or 13.6% .

Governmental activity capital assets increased $63.7 million in FY2025 before depreciation of $38.3 million. The largest increase was in infrastructure, which rose to $44.8 million. Vehicles, machinery, and equipment increased $11.5 million, while all other improvements including park and playground improvements increased $7.3 million.

Right to use assets (Leases and SBITA) totaling $6.2 million were added this year, including $4.2 million related to an agreement with Axon and $1.4 million for software through NetSync.

Construction in Progress for governmental activities totaled over $191 million at year-end. Major ongoing projects include $24.8 million for the Library project (53% complete), $21 million for the new City Hall (36% complete), $4.7 million for Fire Station No. 5 renovations (97% complete), and $4.2 million for the Animal Shelter facility improvements (95% complete). These projects reflect the City's continued investment in public facilities and infrastructure to support current service demands and long-term community needs.

The City's business type activities completed over $8 million in infrastructure projects during the fiscal year. The largest being water line improvements and replacements at Prairie Creek Drive West ($1.6 million), East Northside Pump Station & Electrical Upgrades ($2.2 million), and water line replacements at North Waterview Drive ($1.1 million).

In addition, more than $19 million was added to Construction in Progress during the fiscal year. Construction in progress totaled approximately $62.6 million at year-end.

Ongoing projects include a second transmission line and a new water pump station with a ground storage facility at the North Side Pump Station, which is 77% complete, with costs shared between the City and North Texas Municipal Water District ("NTMWD"). The City's portion is estimated at $46.5 million with $36.8 million having been spent as of September 30, 2025. The improvements will increase storage capacity by five million gallons and production capacity by fifteen million gallons per day and are coordinated with system upgrades by NTMWD.

Table 3
City of Richardson
Capital Assets, net of Accumulated Depreciation/Amortization
(In thousands)

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	$ 95,143	$ 95,143	$ 424	$ 424	$ 95,567	$ 95,567
Public Art	4,237	4,237	-	-	4,237	4,237
Buildings	120,483	124,314	3,004	3,160	123,487	127,474
Improvements other than buildings	52,162	49,240	1,116	1,217	53,278	50,457
Infrastructure	204,780	171,495	88,457	85,894	293,237	257,389
Vehicles, machinery and equipment	20,506	14,611	8,823	8,843	29,329	23,454
Intangible right-to-use assets	4,123	6,129	76	58	4,199	6,187
SBITA	9,269	5,914	89	171	9,358	6,085
Construction in progress	191,347	138,294	62,552	53,761	253,899	192,055
Total capital assets, net	$ 702,050	$ 609,377	$ 164,541	$ 153,528	$ 866,591	$ 762,905

Additional information on the City's capital assets can be found in Note 6 to the financial statements.

CAPITAL, INTANGIBLE RIGHT-TO-USE & SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENT (SBITA) ASSETS AND DEBT ADMINISTRATION (continued)

Long-Term Debt: At the end of the current fiscal year, the City of Richardson had total outstanding debt of approximately $591.8 million as presented in Table 4. Of this amount, $265.9 million represents tax-supported bonds, approximately $193.0 million represents self-supported bonds, and $35.4 million represents bond premiums and discounts. The remaining $97.4 million consists of other governmental obligations, including direct financed purchases (vehicles, golf carts, and EMS equipment), notes payable related to the police training facility, Tax Increment Financing obligations, a tax note, arbitrage liabilities, lease obligations, and subscription-based information technology arrangements (SBITA).

Table 4
City of Richardson
Outstanding Debt
(In thousands)

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
General obligation bonds	$ 259,025	$ 224,310	$ 5,615	$ 7,850	$ 264,640	$ 232,160
Certificates of obligation	98,105	98,150	94,895	81,410	193,000	179,560
General obligation bonds from direct borrowings	1,275	1,935	-	-	1,275	1,935
Bond discounts/premium	26,827	26,794	8,621	8,200	35,448	34,994
Total bonds payable	385,232	351,189	109,131	97,460	494,363	448,649
Tax anticipation notes from direct borrowing	-	1,920	-	-	-	1,920
Financed purchases & other contractual obligations	764	1,118	-	-	764	1,118
Arbitrage	5,467	4,052	821	803	6,288	4,855
Lease obligations	2,833	3,752	75	60	2,908	3,812
SBITA obligations	8,961	6,147	82	161	9,043	6,308
TIF obligations	78,407	82,459	-	-	78,407	82,459
Total outstanding debt	$ 481,664	$ 450,637	$ 110,109	$ 98,484	$ 591,773	$ 549,121

In May 2025, the City issued $87,980,000 in total debt (excluding premiums), including $61.3 million in general obligation bonds, to support its ongoing capital improvement program. Additional details of these issuances, including the specific purposes of each are provided in Notes 9-13 to the financial statements.

During fiscal year 2025, the City was required to remit an arbitrage rebate payment to the US Treasury. In April 2025, approximately $433 thousand was paid. Despite conservative investment practices, the estimated arbitrage liability has increased to approximately $6.3 million, with about $1.0 million due in the next fiscal year.

Table 5
City of Richardson
Authorized but Unissued Debt
September 30, 2025

Election Date	Purpose	Amount Authorized	Amount Previously Issued	Amount Issued 2025 (1)	Authorized But Unissued
November 2, 2021					
	Streets	$ 102,000,000	$ 91,310,000	$ 8,815,000	$ 1,875,000
	Public Facility	64,000,000	18,665,000	45,335,000	-
	Sidewalks	8,500,000	8,500,000	-	-
	Drainage	8,000,000	8,000,000	-	-
	Parks & Recreation	7,500,000	6,680,000	820,000	-
	Remaining	190,000,000	133,155,000	54,970,000	1,875,000
May 2, 2023					
	Public Buildings	46,000,000	12,000,000	8,700,000	25,300,000
	Total Remaining	$ 236,000,000	$145,155,000	$ 63,670,000	$ 27,175,000

(1) Includes premium.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The following indictors were taken into consideration when adopting the FY2025-2026 budgets.

- The City's Fiscal Year 2025-2026 budget was developed with a focus on continuing the implementation of key City Council priorities, enhancing recruitment and retention efforts, providing additional funding for public safety personnel and initiatives, and maintain a strong commitment to infrastructure reinvestment. The highlights for select funds are summarized below:

- **General Fund:** The Fiscal Year 2025-2026 General Fund budget maintains the City's tax rate of $0.54218 per $100 of valuation. Taxable values declined compared to the prior year, resulting in a reduction in General Fund property tax revenue budget to $76.9 million. The adopted tax rate continues to support General Fund and Debt Service Fund requirements. Sales and other taxes are budgeted at $54.9M million, which is $1.7 million higher than the original FY2025 budget and $1.7 million lower than the FY2025 adjusted/projected budget.

  Total General Fund expenditures and transfers for FY2026 are budgeted at $181.5 million, representing a 0.67% increase over the FY2025 original budget and a $0.9 million or (0.4%) decrease compared to FY2025 adjusted budget. The FY2026 budget includes transfers totaling $16.8 million to support cash-funded capital initiatives. Key focus areas for the FY2026 General Fund budget include **PEOPLE** (employee recruitment and retention), **PUBLIC SAFETY** (Police, Fire, and Emergency Management initiatives) and **PROJECTS & INFRASTRUCTURE** (Capital improvements and acquisitions along with strategic debt management to support economic development).

- **Water & Sewer Fund:** The North Texas Municipal Water District (NTMWD) wholesale water rate was increased from $3.69 to $3.89 per 1,000 gallons, a 5.7% increase. Wastewater treatment rates charged by the City's service providers also increased during the year.

  For the fiscal year ended September 30, 2025, total wholesale water costs were $40.2 million and wastewater treatment costs were $30.7 million. For FY2025-2026, wholesale water costs are budgeted at $44.0 million and wastewater treatment at $34.3 million, together representing approximately 63.6% of total Water and Sewer Fund budgeted expenses. To address rising wholesale costs, ongoing maintenance requirements, and capital reinvestment needs, a 6% rate increase for water and sewer services was implemented. Total Water and Sewer Fund revenues for FY2026 are budgeted at $119.9 million, while total expenses and transfers are budgeted at $123.0 million.

- **Solid Waste Fund:** The FY2025-2026 Solid Waste Fund budget includes $20.3 million in revenues and $20.2 million in expenditures. Total revenues are projected to increase approximately 4.8% due to a $.50 per month increase in residential rates and market-based adjustments to specific commercial rates. Landfill expenses are budgeted at approximately $4.0 million, representing 19.8% of total expenditures.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City’s finances. Questions regarding any of the information presented in this report or requests for additional financial information should be directed to the Director of Finance, PO Box 830309, Richardson, Texas 75083-0309.

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BASIC FINANCIAL STATEMENTS

CITY OF RICHARDSON, TEXAS
Statement of Net Position
September 30, 2025

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and cash equivalents	$ 125,966,374	$ 5,064,700	$ 131,031,074
Investments	222,157,594	22,981,774	245,139,368
Receivables (net of allowances)	19,790,831	12,966,855	32,757,686
Lease receivables	18,142,346	1,550,554	19,692,900
Inventories	1,108,839	1,469,175	2,578,014
Prepaid items	101,570	30,912	132,482
Deposits	167,500	-	167,500
Property held for redevelopment and resale	274,020	-	274,020
Restricted assets:			
Cash and cash equivalents	-	55,821,098	55,821,098
Investments	-	10,023,274	10,023,274
Receivables (net of allowances)	-	2,388	2,388
Internal balances	(2,084,470)	2,084,470	-
Capital and intangible right to use:			
Nondepreciable	290,727,618	62,975,770	353,703,388
Depreciable/amortizable (net)	411,322,078	101,564,801	512,886,879
Total assets	1,087,674,300	276,535,771	1,364,210,071
Deferred outflows of resources			
Pension contributions, investment experience and assumptions	15,152,995	3,294,587	18,447,582
Deferred loss on refundings	73,905	73,618	147,523
OPEB contributions, investment experience and assumptions	3,088,503	572,870	3,661,373
Total deferred outflows of resources	18,315,403	3,941,075	22,256,478

See accompanying notes to basic financial statements.

CITY OF RICHARDSON, TEXAS
Statement of Net Position
September 30, 2025

	Governmental Activities	Business-type Activities	Total
Liabilities:			
Accounts payable	$ 21,916,448	$ 3,357,844	$ 25,274,292
Retainage payable	6,050,610	-	6,050,610
Accrued liabilities	9,127,280	1,159,955	10,287,235
Accrued interest	14,629,540	748,351	15,377,891
Payable from restricted assets:			
Accounts payable	-	2,472,476	2,472,476
Retainage payable	-	3,004,474	3,004,474
Customer deposits	-	3,459,533	3,459,533
Unearned revenue	2,739,534	-	2,739,534
Money held in escrow	475,873	4,454,776	4,930,649
Non-current liabilities:			
Due within one year:			
Bonds, leases, SBITA, and contractual obligations	42,803,288	8,099,319	50,902,607
Arbitrage liability	782,377	266,625	1,049,002
OPEB liability	1,957,020	319,323	2,276,343
Compensated absences	1,925,396	163,249	2,088,645
Workers' compensation	477,870	128,098	605,968
Unpaid claims liability	1,287,394	-	1,287,394
Due in more than one year:			
Bonds, leases, SBITA, and contractual obligations	433,393,538	101,188,849	534,582,387
Arbitrage liability	4,684,651	554,517	5,239,168
OPEB liability	32,063,018	5,231,657	37,294,675
Compensated absences	15,578,205	1,320,828	16,899,033
Workers' compensation	4,435,934	-	4,435,934
Net pension liability	28,283,349	5,415,889	33,699,238
Total liabilities	622,611,325	141,345,763	763,957,088
Deferred inflows of resources			
Deferred gain on refundings	2,089,577	28,431	2,118,008
Pension actuarial experience	7,046,169	1,348,616	8,394,785
OPEB assumptions	17,624,328	3,030,060	20,654,388
Deferred inflows related to leases	17,493,285	1,514,394	19,007,679
Total deferred inflows of resources	44,253,359	5,921,501	50,174,860
Net position:			
Net investment in capital assets	302,915,528	72,875,923	375,791,451
Restricted for:			
Capital projects	83,654,755	31,948,995	115,603,750
Debt service	-	251,982	251,982
General government	24,221,378	-	24,221,378
Public safety	1,895,064	-	1,895,064
Endowment			
Expendable	46	-	46
Nonexpendable	249,947	-	249,947
Unrestricted	26,188,301	28,132,682	54,320,983
Total net position	$ 439,125,019	$ 133,209,582	$ 572,334,601

See accompanying notes to basic financial statements.

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CITY OF RICHARDSON, TEXAS

Statement of Activities

For the Fiscal Year Ended September 30, 2025

Function/programs:	Expenses	Program revenues: Charges for services	Program revenues: Operating grants and contributions	Program revenues: Capital grants and contributions	Net (expense) revenue and changes in net position: Governmental activities	Net (expense) revenue and changes in net position: Business-type activities	Net (expense) revenue and changes in net position: Total
Governmental activities:							
General government	$ 70,132,956	$ 15,642,784	$ 5,890,376	$ -	$ (48,599,796)	$ -	$ (48,599,796)
Public safety	79,481,347	7,943,787	465,158	-	(71,072,402)	-	(71,072,402)
Public services	44,741,403	7,553,595	-	6,706,762	(30,481,046)	-	(30,481,046)
Library	4,719,476	16,939	-	-	(4,702,537)	-	(4,702,537)
Parks and recreation	22,309,274	7,914,371	15,000	279,151	(14,100,752)	-	(14,100,752)
Public health	2,562,614	802,519	-	-	(1,760,095)	-	(1,760,095)
Interest	16,143,674	-	-	-	(16,143,674)	-	(16,143,674)
Total governmental activities	240,090,744	39,873,995	6,370,534	6,985,913	(186,860,302)	-	(186,860,302)
Business-type activities:							
Water and sewer	107,848,544	109,582,189	-	-	-	1,733,645	1,733,645
Solid waste	19,283,773	19,471,389	-	-	-	187,616	187,616
Total business-type activities	127,132,317	129,053,578	-	-	-	1,921,261	1,921,261
Total primary government	$ 367,223,061	$ 168,927,573	$ 6,370,534	$ 6,985,913	(186,860,302)	1,921,261	(184,939,041)
General Revenues:							
Property tax					134,729,930	-	134,729,930
Sales tax					55,353,258	-	55,353,258
Franchise tax					20,254,536	-	20,254,536
Mixed beverage and bingo tax					817,382	-	817,382
Hotel/motel tax					4,947,662	-	4,947,662
Unrestricted interest earnings					14,924,719	3,643,285	18,568,004
Gain on change in lease terms					39,121	-	39,121
Gain on sale of assets					57,347	234,132	291,479
Insurance and other recoveries					182,920	19,545	202,465
Contributions to permanent fund principal					46	-	46
Total revenues					231,306,921	3,896,962	235,203,883
Change in net position					44,446,619	5,818,223	50,264,842
Net position - beginning					394,678,400	127,391,359	522,069,759
Net position - ending					$ 439,125,019	$ 133,209,582	$ 572,334,601

See accompanying notes to basic financial statements

CITY OF RICHARDSON, TEXAS

Balance Sheet - Governmental Funds

September 30, 2025

	General Fund	Debt Service Fund	Capital Project Fund	Hotel/Motel Tax Fund	Other Governmental Funds	Total
Assets:						
Cash & cash equivalents	$ 7,142,042	$ 4,511,372	$ 84,930,799	$ 889,457	$ 21,972,692	$ 119,446,362
Investments	40,174,806	-	147,657,883	4,000,000	18,137,445	209,970,134
Receivables (net of allowances)	11,343,664	694,365	6,072,647	430,556	1,249,599	19,790,831
Lease receivables	-	-	-	17,413,698	728,648	18,142,346
Inventories	400,935	-	-	-	205,499	606,434
Prepaid items	8,382	-	-	28,500	-	36,882
Deposits	167,500	-	-	-	-	167,500
Property held for redevelopment	-	-	274,020	-	-	274,020
Total assets	$ 59,237,329	$ 5,205,737	$ 238,935,349	$ 22,762,211	$ 42,293,883	$ 368,434,509
Liabilities:						
Accounts payable	$ 1,845,176	$ -	$ 17,462,353	$ 221,450	$ 1,972,064	$ 21,501,043
Retainage payable	-	-	5,292,655	-	757,955	6,050,610
Accrued liabilities	8,518,871	-	5,701	447,693	117,027	9,089,292
Unearned revenue	1,063,278	694,364	67,933	317,014	596,945	2,739,534
Money held in escrow	-	-	475,873	-	-	475,873
Total liabilities	11,427,325	694,364	23,304,515	986,157	3,443,991	39,856,352
Deferred inflows of resources:						
Unavailable revenue	855,125	-	-	-	-	855,125
Deferred inflows related to leases	-	-	-	16,982,081	511,204	17,493,285
Total deferred inflows of resources	855,125	-	-	16,982,081	511,204	18,348,410
Fund balances:						
Nonspendable:						
Inventory	400,935	-	-	-	205,499	606,434
Deposits	167,500	-	-	-	-	167,500
Prepaid items	8,382	-	-	28,500	-	36,882
Permanent fund principal	-	-	-	-	249,947	249,947
Restricted for:						
Debt service	-	4,511,373	-	-	-	4,511,373
Parks and recreation projects	-	-	4,059,000	-	-	4,059,000
Public services	-	-	117,162,557	-	-	117,162,557
Capital projects	-	-	7,888,261	-	9,275	7,897,536
General government	-	-	2,645,550	-	23,410,608	26,056,158
Public safety	-	-	3,464,570	-	1,895,064	5,359,634
Committed for:						
General government	-	-	-	-	7,846,859	7,846,859
Public services	-	-	-	-	4,098,144	4,098,144
Parks and recreation	-	-	-	-	611,703	611,703
Assigned:						
General government	21,350	-	21,211,653	4,765,473	-	25,998,476
Public services	329,904	-	29,256,178	-	-	29,586,082
Public safety	161,123	-	778,909	-	-	940,032
Parks and recreation	15,695	-	2,057,437	-	11,589	2,084,721
Library	-	-	501,580	-	-	501,580
Other capital projects	-	-	26,605,139	-	-	26,605,139
Unassigned	45,849,990	-	-	-	-	45,849,990
Total fund balances	46,954,879	4,511,373	215,630,834	4,793,973	38,338,688	310,229,747
Total liabilities, deferred inflows of resources, and fund balances	$ 59,237,329	$ 5,205,737	$ 238,935,349	$ 22,762,211	$ 42,293,883	$ 368,434,509

See accompanying notes to basic financial statements.

CITY OF RICHARDSON, TEXAS

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

September 30, 2025

Total fund balances - governmental funds balance sheet	$	310,229,747
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets, financed purchases, intangible right-to-use assets, and SBITA assets (excluding Internal Service funds) used in governmental activities are not financial resources and, therefore, are not reported in the funds.		696,974,473
Other amounts are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		855,125
Deferred outflows of resources - pension and OPEB		17,920,432
Some amounts will not be recognized as revenue until future periods and therefore are not reported in the funds.		(24,421,033)
A portion of the assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.		14,832,375
Long-term liabilities, including bonds payable, leases, accrued interest, and related deferred charges, are not due and payable in the current period and, therefore, are not reported in the fund. (Note 2(A))		(577,266,100)
Net position of governmental activities	$	439,125,019

See accompanying notes to basic financial statements.

CITY OF RICHARDSON, TEXAS

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended September 30, 2025

	General Fund	Debt Service Fund	Capital Project Fund	Hotel/Motel Tax Fund	Other Governmental Funds	Total
Revenues:						
Property taxes	$ 72,813,227	$ 50,029,637	$ -	$ -	$ 13,591,364	$ 136,434,228
Franchise taxes	20,103,027	-	-	-	151,509	20,254,536
Sales tax	55,353,258	-	-	-	-	55,353,258
Mixed beverage and bingo tax	817,382	-	-	-	-	817,382
Hotel/motel taxes	-	-	-	4,947,662	-	4,947,662
Drainage fees	-	-	-	-	3,977,061	3,977,061
911 revenue	479,847	-	-	-	692,505	1,172,352
Intergovernmental revenue	491,940	-	6,727,559	-	6,223,653	13,443,152
Licenses and permits	3,841,170	-	-	-	-	3,841,170
Fines and forfeitures	1,735,684	-	-	-	165,304	1,900,988
Interest revenue	2,600,752	188,106	10,108,044	517,978	2,062,736	15,477,616
Eisemann center revenue	-	-	204,401	3,135,421	-	3,339,822
Recreation and leisure	4,465,971	-	-	-	3,376,630	7,842,601
Public safety	3,908,869	-	-	-	-	3,908,869
Contributions	93,781	-	51,000	-	46	144,827
Other	1,906,389	-	243,954	95,279	190,577	2,436,199
General administration charges	11,786,360	-	-	-	-	11,786,360
Total revenues	180,397,657	50,217,743	17,334,958	8,696,340	30,431,385	287,078,083
Expenditures:						
General government	37,439,687	-	6,862,786	9,234,048	6,279,570	59,816,091
Public safety	70,934,759	-	270,527	-	382,056	71,587,342
Public services	25,980,324	-	4,059,351	-	2,000,043	32,039,718
Library	3,899,895	-	356,159	-	-	4,256,054
Parks and recreation	14,283,773	-	1,343,023	-	2,836,949	18,463,745
Public health	2,409,154	-	-	-	-	2,409,154
General administration	-	-	-	-	1,594,191	1,594,191
Capital outlay	2,443,781	-	107,347,811	170,491	11,565,086	121,527,169
Debt service:						
Principal retirement	-	37,625,000	-	-	-	37,625,000
Interest and fiscal charges	39,154	13,835,898	414,209	-	4,136,206	18,425,467
Payments for other obligations	1,209,591	250,646	1,943,645	-	4,181,413	7,585,295
Issuance costs	-	-	594,047	-	-	594,047
Total expenditures	158,640,118	51,711,544	123,191,558	9,404,539	32,975,514	375,923,273
Excess (deficiency) of revenues over (under) expenditures	21,757,539	(1,493,801)	(105,856,600)	(708,199)	(2,544,129)	(88,845,190)
Other financing sources (uses):						
Transfers in [1]	722,274	2,375,229	19,490,448	-	2,076,659	24,664,610
Transfers out [1]	(24,282,507)	-	(1,110,229)	-	(1,271,874)	(26,664,610)
Issuance of certificates of obligation	-	-	8,405,000	-	-	8,405,000
Issuance of general obligation bonds	-	-	61,310,000	-	-	61,310,000
Issuance of other obligations	2,600,368	-	2,763,796	-	-	5,364,164
Premium/discount on bonds	-	-	2,990,979	-	-	2,990,979
Other financing uses - liability extinguishment	(218,915)	-	(208,767)	-	-	(427,682)
Insurance and other recoveries	180,858	-	182,920	-	-	363,778
Proceeds from sale of capital assets	20,030	-	468,674	-	-	488,704
Total other financing sources (uses)	(20,977,892)	2,375,229	94,292,821	-	804,785	76,494,943
Net change in fund balances	779,647	881,428	(11,563,779)	(708,199)	(1,739,344)	(12,350,247)
Fund balances - October 1	46,175,232	3,629,945	227,194,613	5,502,172	40,078,032	322,579,994
Fund balances - September 30	$ 46,954,879	$ 4,511,373	$ 215,630,834	$ 4,793,973	$ 38,338,688	$ 310,229,747

(1) Additional information regarding transfers can be found in Note 8 of the accompaning notes to basic financial statements.

See accompanying notes to basic financial statements.

CITY OF RICHARDSON, TEXAS

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended September 30, 2025

Amounts reported for governmental activities in the statement of activities are different because:	
Net change in fund balances - total governmental funds	$ (12,350,247)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation or amortization expense. This is the amount by which capital outlays exceeded depreciation and amortization expense in the current period. (Note 2(B))	92,661,283
Net amount from disposals of capital assets at the government-wide level, not recorded in the funds	(451,217)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	(2,396,791)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is originally issued, whereas these amounts are amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. (Note 2(B))	(32,326,213)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (Note 2(B))	1,268,319
Internal service funds are used by management to charge the costs of central services and insurance to individual funds. The net expense of certain activities of the Internal Service Funds is reported with governmental activities.	(1,958,515)
Change in net position of governmental activities	$ 44,446,619

See accompanying notes to basic financial statements.

CITY OF RICHARDSON, TEXAS
Statement of Net Position - Proprietary Funds
September 30, 2025

	Enterprise Funds			
	Water and Sewer Fund	Solid Waste Fund	Total	Governmental Activities- Internal Service Funds
Assets:				
Current assets:				
Cash and cash equivalents	$ 1,451,345	$ 3,613,355	$ 5,064,700	$ 6,520,012
Investments	22,981,774	-	22,981,774	12,187,460
Receivables (net of allowances)	11,155,904	1,810,951	12,966,855	-
Lease receivable	1,550,554	-	1,550,554	-
Inventories	1,469,175	-	1,469,175	502,405
Prepaid items	30,912	-	30,912	64,688
Restricted assets:				
Restricted cash	49,387,946	6,433,152	55,821,098	-
Restricted Investments	10,023,274	-	10,023,274	-
Other receivables	2,388	-	2,388	-
Total current assets:	98,053,272	11,857,458	109,910,730	19,274,565
Noncurrent assets:				
Capital assets:				
Land	357,950	65,560	423,510	56,011
Improvements	2,291,282	298,352	2,589,634	23,023
Buildings	9,585,126	405,247	9,990,373	259,990
Water and sewer system	254,570,458	-	254,570,458	-
Vehicles, machinery and equipment	19,511,169	19,857,867	39,369,036	395,555
Intangible right-to-use	68,396	25,285	93,681	254,743
SBITA assets	246,263	-	246,263	7,140,693
Construction in progress	61,970,646	581,614	62,552,260	96,692
Less: accumulated depreciation	(191,839,891)	(13,280,244)	(205,120,135)	(592,896)
Less: leases accumulated amortization	(12,539)	(4,636)	(17,175)	(110,330)
Less: SBITA accumulated amortization	(157,334)	-	(157,334)	(2,448,258)
Total noncurrent assets	156,591,526	7,949,045	164,540,571	5,075,223
Total assets	254,644,798	19,806,503	274,451,301	24,349,788
Deferred outflows of resources				
Pension contributions investment experience and assumptions	1,850,589	1,443,998	3,294,587	303,799
Deferred charge on refunding	73,618	-	73,618	-
OPEB contributions, investment experience and assumptions	313,818	259,052	572,870	17,267
Total deferred outflows of resources	2,238,025	1,703,050	3,941,075	321,066

See accompanying notes to basic financial statements.

CITY OF RICHARDSON, TEXAS
Statement of Net Position - Proprietary Funds
September 30, 2025

	Enterprise Funds			
	Water and Sewer Fund	Solid Waste Fund	Total	Governmental Activities-Internal Service Funds
Liabilities:				
Current liabilities:				
Accounts payable	$ 3,068,610	$ 289,234	$ 3,357,844	$ 415,406
Accrued liabilities	911,231	248,724	1,159,955	37,988
Accrued interest	686,790	61,561	748,351	69,014
Unpaid claims liabilities	-	-	-	1,287,394
Current maturities of bonds, leases and contractual obligations	6,662,588	1,436,731	8,099,319	1,208,509
Arbitrage liability	266,496	129	266,625	-
OPEB liability	176,472	142,851	319,323	11,647
Compensated absences	95,924	67,325	163,249	9,127
Workers' compensation liability	16,627	111,471	128,098	1,567
Current liabilities payable from restricted assets:				
Accounts payable	2,472,476	-	2,472,476	-
Retainage payable	3,004,474	-	3,004,474	-
Deposits	3,459,533	-	3,459,533	-
Money held in escrow	4,454,776	-	4,454,776	-
Total current liabilities	25,275,997	2,358,026	27,634,023	3,040,652
Noncurrent liabilities:				
Bonds, leases and contractual obligations	95,130,958	6,057,891	101,188,849	3,783,687
OPEB liability	2,891,248	2,340,409	5,231,657	190,817
Net pension liability	2,940,530	2,475,359	5,415,889	415,546
Compensated absences	776,112	544,716	1,320,828	73,844
Arbitrage payable	545,025	9,492	554,517	-
Total noncurrent liabilities	102,283,873	11,427,867	113,711,740	4,463,894
Total liabilities	127,559,870	13,785,893	141,345,763	7,504,546
Deferred inflows of resources				
Deferred inflows related to leases	1,514,394	-	1,514,394	-
Pension actuarial experience	732,712	615,904	1,348,616	95,164
OPEB assumptions	1,645,421	1,384,639	3,030,060	154,299
Deferred inflows - gain on refunding	28,431	-	28,431	-
Total deferred inflows of resources	3,920,958	2,000,543	5,921,501	249,463
Net position (deficit):				
Net investment in capital assets	66,888,142	5,987,781	72,875,923	83,027
Restricted for:				
Capital projects	31,234,253	714,742	31,948,995	-
Debt service	128,056	123,926	251,982	-
Unrestricted	27,151,544	(1,103,332)	26,048,212	16,833,818
Total net position	$ 125,401,995	$ 5,723,117	131,125,112	$ 16,916,845
Adjustment to reflect the consolidation of Internal Service Fund activities related to Enterprise Funds			2,084,470	
Net position of business-type activities			$ 133,209,582	

See accompanying notes to basic financial statements.

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CITY OF RICHARDSON, TEXAS

Statement of Revenue, Expenses and Changes in Fund Net Position - Proprietary Funds

For the Fiscal Year Ended September 30, 2025

	Enterprise Funds			
	Water and Sewer Fund	Solid Waste Fund	Total	Governmental Activities-Internal Service Funds
Operating revenues:				
Water sales	$ 65,087,861	$ -	$ 65,087,861	$ -
Sewer service	42,570,567	-	42,570,567	-
Service fees (other)	82,927	-	82,927	-
Antenna rentals	419,094	-	419,094	-
Meter fees	45,240	-	45,240	-
Solid waste fees	-	18,799,378	18,799,378	-
Charges for services	-	-	-	2,120,314
City and employee contributions - insurance fund	-	-	-	15,455,012
Miscellaneous	1,395,312	672,746	2,068,058	1,521,257
Total operating revenues	109,601,001	19,472,124	129,073,125	19,096,583
Operating expenses:				
Personal services	7,436,660	6,670,078	14,106,738	2,929,076
Professional and technical services	2,819,204	647,193	3,466,397	1,107,464
Property services	2,783,849	212,509	2,996,358	728,258
Other purchases services	1,692,704	602,006	2,294,710	62,531
Insurance claims	-	-	-	18,367,568
Purchase of water	40,194,122	-	40,194,122	-
Purchase of sewage treatment	30,707,986	-	30,707,986	-
Solid waste charges	-	4,207,017	4,207,017	-
General administration	5,578,524	3,558,617	9,137,141	-
Franchise fees	5,373,569	939,795	6,313,364	-
Supplies	1,330,570	296,377	1,626,947	38,738
Depreciation	6,379,131	1,706,097	8,085,228	19,657
Amortization	153,011	4,636	157,647	969,429
Total operating expenses	104,449,330	18,844,325	123,293,655	24,222,721
Operating income	5,151,671	627,799	5,779,470	(5,126,138)
Nonoperating revenues (expenses):				
Interest revenue	3,236,997	406,288	3,643,285	861,684
Interest expense and fiscal charges	(2,994,160)	(176,479)	(3,170,639)	(154,223)
Issuance costs	(181,699)	(17,659)	(199,358)	-
Other non-operating charges	(7,502)	(1,003)	(8,505)	-
Gain from sale of capital assets	13,750	220,382	234,132	-
Total nonoperating revenues	67,386	431,529	498,915	707,461
Income before contributions and transfers	5,219,057	1,059,328	6,278,385	(4,418,677)
Transfers in	-	-	-	2,000,000
Change in net position	5,219,057	1,059,328	6,278,385	(2,418,677)
Net position(defecit) at beginning of year	120,182,938	4,663,789	124,846,727	19,335,522
Net position(defecit) at end of year	$ 125,401,995	$ 5,723,117	$ 131,125,112	$ 16,916,845

Adjustment to reflect the consolidation of Internal Service Fund activities related to Enterprise Funds	(460,162)
Change in net position of business-type activities	$ 5,818,223

See accompanying notes to basic financial statements.

CITY OF RICHARDSON, TEXAS
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended September 30, 2025

	Enterprise Funds			
	Water and Sewer Fund	Solid Waste Fund	Total	Governmental Activities - Internal Service Funds
Cash flows from operating activities:				
Cash received from customers	$ 112,566,525	$ 18,806,883	$ 131,373,408	$ -
Cash received from service users	-	-	-	2,120,314
Cash received from City, employee, and other contributions	-	-	-	16,976,269
Cash payments to employees	(7,625,095)	(6,860,164)	(14,485,259)	(2,963,083)
Cash payments for claims	-	-	-	(18,184,879)
Cash payments for goods and services	(89,858,588)	(10,676,142)	(100,534,730)	(2,318,120)
Cash received from miscellaneous revenue	361,891	672,746	1,034,637	-
Net cash provided by (used in) operating activities	15,444,733	1,943,323	17,388,056	(4,369,499)
Cash flows from capital and related financing activities:				
Acquisition and construction of capital and right-to-use assets	(18,922,395)	(1,292,337)	(20,214,732)	(112,798)
Net proceeds from sale of capital assets	13,750	220,382	234,132	-
Bond proceeds and accrued interest	17,169,838	1,859,726	19,029,564	-
Principal paid on debt	(5,787,407)	(1,384,991)	(7,172,398)	(1,134,521)
Interest paid on debt	(3,213,298)	(273,560)	(3,486,858)	(147,905)
Fiscal charges and bond escrow payments	(7,502)	(1,003)	(8,505)	-
Construction escrow	(7,036,653)	-	(7,036,653)	-
Transfers to/from other funds	-	-	-	2,000,000
Net cash provided by (used in) capital and related financing activities	(17,783,667)	(871,783)	(18,655,450)	604,776
Cash flows from investing activities:				
Purchase of investment securities	578,500	5,388,794	5,967,294	3,633,562
Interest received on investments	3,300,762	362,462	3,663,224	861,684
Net cash provided by (used in) investing activities	3,879,262	5,751,256	9,630,518	4,495,246
Net increase (decrease) in cash, restricted cash, and cash equivalents	1,540,328	6,822,796	8,363,124	730,523
Cash, restricted cash, and cash equivalents, October 1	49,298,963	3,223,711	52,522,674	5,789,489
Cash, restricted cash, and cash equivalents, September 30	$ 50,839,291	$ 10,046,507	$ 60,885,798	$ 6,520,012

See accompanying notes to basic financial statements.

CITY OF RICHARDSON, TEXAS
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended September 30, 2025

	Enterprise Funds			
	Water and Sewer Fund	Solid Waste Fund	Total	Governmental Activities - Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income and loss	$ 5,151,671	$ 627,799	$ 5,779,470	$ (5,126,138)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	6,532,142	1,710,733	8,242,875	989,086
Changes in assets and liabilities:				
(Increase)/Decrease in accounts receivable	3,748,422	7,507	3,755,929	-
(Increase)/Decrease in inventory of supplies	(81,806)	-	(81,806)	(38,840)
(Increase)/Decrease in prepaid items	(30,912)	-	(30,912)	(18,430)
Increase/(Decrease) in deposits payable from restricted assets	(674,850)	-	(674,850)	-
Increase/(Decrease) in accounts payable	1,054,196	(282,334)	771,862	(329,436)
Increase/(Decrease) in unpaid claims liabilities	-	-	-	182,689
Increase/(Decrease) in compensated absences	(105,596)	(150,241)	(255,837)	(31,009)
Increase/(Decrease) in workers compensation	(79,963)	3,828	(76,135)	1,567
Increase/(Decrease) in post-employment benefits	(834,126)	(699,899)	(1,534,025)	(76,702)
Increase/(Decrease) in pension liability (asset)	(1,601,520)	(1,343,804)	(2,945,324)	(147,266)
Increase/(Decrease) in accrued liabilities	355,312	69,704	425,016	5,577
Increase/(Decrease) in deferred inflows/outlows	2,011,763	2,000,030	4,011,793	219,403
Total adjustments	10,293,062	1,315,524	11,608,586	756,639
Net cash provided by (used in) operating activities	$ 15,444,733	$ 1,943,323	$ 17,388,056	$ (4,369,499)
Noncash investing capital and financing activities:				
Noncash-interest	(257,600)	(15,536)	(273,136)	-
Increase/(Decrease) in restricted accounts payable	(1,682,643)	-	(1,682,643)	-
Increase/(Decrease) in retainage	629,885	-	629,885	-
Reconciliation of cash, restricted cash, and cash equivalents to the statement of net position:				
Total unrestricted cash and investments per the statement of net position	$ 1,451,345	$ 3,613,355	$ 5,064,700	$ 6,520,012
Total restricted cash and investments per the statement of net position	49,387,946	6,433,152	55,821,098	-
Cash, restricted cash and cash equivalents as of September 30, 2025	$ 50,839,291	$ 10,046,507	$ 60,885,798	$ 6,520,012
Noncash disclosures:				
Acquisition of asset and liability utilizing lease agreement	$ 68,396	$ 25,285	$ 93,681	$ -
Acquisition of asset and liability utilizing SBITA	$ -	$ -	$ -	$ 1,339,028

See accompanying notes to basic financial statements.

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1. Summary of Significant Accounting Policies

A. Reporting Entity

The City of Richardson, Texas (the City) is a municipal corporation governed by an elected governing board consisting of a mayor and six council members. As required by accounting principles generally accepted in the United States of America, these financial statements present the financial condition and results of operations and activities of the City for which it is considered to be financially accountable.

The accounting and reporting policies of the City relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America and applicable to state and local governments. These include those principles prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants as published in Audits of State and Local Governments.

Blended Component Unit. The Richardson Improvement Corporation (RIC) is a nonprofit corporation that serves the citizens of the City by improving municipal parks and recreational functions, facilitating real estate transactions and serving as an independent foundation for acceptance of corporate donations. The City provides all financial support to RIC and all members of its governing board are appointed by the City Council. Because the services that RIC provides exclusively benefits the City and the RIC operations are so intertwined with those of the City, RIC is in substance a department of the City and has been blended into the City's financial statements in the Other Governmental Funds category and reported as a Special Revenue Fund. Audited financial statements for RIC may be obtained by writing City of Richardson, Attn: Finance Director, PO Box 830309, Richardson, TX 75083-0309.

B. Implementation of New Accounting Statement

For fiscal year 2024-25, the City has implemented the following new statement of financial accounting standards issued by the Governmental Accounting Standards Board (GASB).

The objective of Statement No. 101, is to better meet the informational needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation and can be applied consistently to the different types of leave. Implementation of this standard did not have a material impact on the financial statements.

The objective of Statement No. 102, Certain Risk Disclosures, is to enhance financial reporting by requiring disclosures related to concentrations and constraints that may expose a government to substantial risk. The City has evaluated the requirements of this Statement and determined that there are no items requiring disclosure.

C. Basis of Presentation

Government-Wide Statements

The two government-wide financial statements, the Statement of Net Position and the Statement of Activities, report information on all the activities of the City. Governmental activities, which include those activities primarily supported by taxes or intergovernmental revenue, are reported separately from business-type activities, which generally rely on fees and charges for support. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

The Statement of Activities demonstrates the extent to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are identifiable with a specific program. Program revenues include charges to customers and applicants who purchase, use or directly benefit from goods, services or privileges provided by a given program. They also include operating grants, capital grants, and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not included among program revenues are reported as general revenues.

Fund Financial Statements. The City segregates transactions related to certain functions or activities in separate funds in order to support financial management and to demonstrate legal compliance. Separate statements are prescribed for governmental activities and for proprietary activities. These statements present each major fund as a separate column on the fund financial statements, while all nonmajor funds are aggregated and presented in a single column.

Governmental funds are those funds through which most governmental functions typically are financed. Governmental funds are accounted for using the current financial resource measurement focus and the modified accrual basis of accounting. The City has presented the following major governmental funds:

General Fund. The General Fund is the main operating fund of the City. The fund is used to account for financial resources that are not accounted for in other funds. General tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

Debt Service Fund. The Debt Service Funds are used to account for the accumulation of financial resources for the payment of principal, interest and related costs on general long-term debt paid primarily from taxes levied by the City. The fund balance of the Debt Service Fund is restricted to signify the amounts are exclusively for debt service expenditures.

Capital Project Funds. The Capital Project Funds are used to account for funds expended for capital improvements, including streets and thoroughfares, parks and other recreational facilities, buildings and public facilities, drainage improvements, and for the purchase of capital equipment. Funding sources include the proceeds of general obligation bonds and certificates of obligation issued by the City, as well as intergovernmental revenues and contributions.

Hotel/Motel Tax Fund. This fund is used to account for the hotel/motel room tax and the operations of the Eisemann Center for the Performing Arts and Corporate Presentations. State law requires that hotel/motel room tax revenues be utilized for advertising and promotion of the City, tourism, and other specified activities.

Proprietary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of net income, financial position and cash flows. Assets and liabilities of the proprietary funds are included in the Statement of Net Position. The City has presented the following major proprietary funds:

Water and Sewer Fund. The Water and Sewer Fund is used to account for the provision of water and sewer services to the residents of the City. Activities of the fund include administration, billing and collection activities, and the operations, maintenance, and construction of the water and sewer systems. The fund also accounts for the accumulation of resources for the payment of long-term principal and interest for water and sewer debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary to ensure the integrity of the system.

Solid Waste Fund. The Solid Waste Fund is used to account for the operations of solid waste collection and disposal and recycling services provided to the residents of the City. The fund also accounts for the accumulation of resources for the payment of long-term principal and interest for solid waste debt. All costs are financed through charges to the utility customers.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for the proprietary funds include the cost of personal and contractual services, supplies, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Additionally, the City reports the following fund types:

Internal Service Funds. The Internal Service Funds are used to account for warehouse, mail services, and records management operations provided to City departments, and health insurance provided to employees, dependents and retirees. Internal Service Funds are also used to account for the cost of replacing technology related to legacy ERP and Traffic systems. Internal Service Funds are accounted for using the economic resources measurement focus and the accrual basis of accounting.

Permanent Fund. The Permanent Fund accounts for resources that are legally restricted to the extent that only earnings, not principal, support the City's specified program. The Permanent Fund is accounted for using the current financial resource measurement focus and the modified accrual basis of accounting.

Special Revenue Funds. Special Revenue Funds are used by the City to account for revenues derived from specific intergovernmental grants, taxes, and proceeds that are designated to finance particular functions or activities of the City. Special Revenue Funds are accounted for using the current financial resource measurement focus and the modified accrual basis of accounting.

Statement of Cash Flows

For purposes of the Statement of Cash Flows, the Enterprise and Internal Service Funds consider all highly liquid investments (including restricted assets) with maturity of three months or less when purchased to be cash equivalents. Because the City, at its option, can withdraw amounts on a daily basis from TexPool, TexSTAR, Texas Range, and the Federated Money Market Mutual Fund, these investments are also considered to be cash equivalents.

D. Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements and fund financial statements for proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position and the operating statement presents increases (revenues) and decreases (expenses) in net position. Under the accrual basis of accounting, revenues are recognized when earned, including unbilled water, sewer, and solid waste collection services. Expenses are recognized at the time the liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, that is, when they are "measurable and available." "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period. The City considers all revenues available if they are collected within the current period or soon enough thereafter to be used to pay liabilities of the current period. A 60-day availability period is used for revenue recognition for all governmental fund type revenues, except fines and forfeitures, which are accrued using a 45-day availability period, and for grants, which are accrued as revenue as soon as all applicable eligibility requirements have been met.

Expenditures are recorded when the related fund liability is incurred, except for outstanding principal and interest on general long-term debt which is recognized when due, and certain leases, compensated absences, postemployment benefits, and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Those revenues susceptible to accrual are property taxes, franchise fees, sales tax revenues, fines and forfeitures, drainage fees, and interest revenue. Licenses and permits, recreation and leisure fees, public safety, and other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

The City reports unavailable revenue in its governmental funds. Unavailable revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues arise when the City receives resources before it has a legal claim to them, as when grant moneys are received prior to the incidence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met or when the City has a legal claim to the resources, revenue is recognized.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position

Deposits and Investments

The City maintains a cash and investment pool that is available for use by all funds.

The Legislature for the state of Texas has enacted and regularly amends the Public Funds Investment Act (Investment Act) that governs items such as investment strategies and policies, training for investment officers, quarterly reporting, and types of investments allowed. The City has developed an Investment Policy that is annually reviewed and approved through resolution by the City Council that is in compliance with the Investment Act. Accordingly, the City is authorized to invest in (1) obligations of the United States or its agencies and instrumentalities, including letters of credit; (2) direct obligations of the state of Texas or its agencies and instrumentalities; (3) obligations of state agencies, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than "A" or its equivalent, and other obligations, the principal and interest of which are unconditionally guaranteed or insured by the state of Texas, or the United States, or its instrumentalities; (4) Joint Investment Pools of political subdivisions in the state of Texas, which comply with the guidelines stated in the City's investment policy; (5) Certificates of Deposit issued by state or national banks and credit unions domiciled in Texas that are guaranteed or insured by the Federal Deposit Insurance Corporation or secured by obligations mentioned above; (6) fully collateralized direct repurchase agreements having a defined termination date; and (7) no-load money market mutual funds regulated by the Securities and Exchange Commission.

The City is not authorized by its investment policy to invest in banker's acceptances, "bond" mutual funds, collateralized mortgage obligations of any type, and commercial paper, with the exception that the City may invest in local government investment pools and money market mutual funds that have commercial paper as authorized investments.

Investment transactions are conducted through the depository bank. The City's safekeeping agent holds all securities in the City's name.

For fiscal year 2025, the City invested in U.S. Agencies, U.S. Treasuries, TexPool, TexSTAR, Texas Daily and Federated Money Market Funds. The City records all interest revenue related to investment activities in the respective funds.

Investments that have a remaining maturity at the time of purchase of over one year are recorded at fair value based on quoted market prices. Fair value is the price that would be received to sell an investment in an orderly transaction between market participants at the measurement date. Investments with a remaining maturity at time of purchase of one year or less are recorded at amortized cost. For these investments, amortized cost approximates fair value.

TexPool and TexSTAR were created to conform to the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. The fair value of positions in TexPool or TexSTAR is the same as the value of the pool shares. Texas Daily was created in 2000 to allow Texas local governments and school districts to pool their funds for investment.

For TexPool, the State's Comptroller of Public Accounts is the sole officer, director, and shareholder of the Texas Treasury Safekeeping Trust Company (Trust Company), which is authorized to operate TexPool. Pursuant to the TexPool participation agreement, administrative and investment services to TexPool are provided by Federated. The Comptroller maintains oversight of the services provided by TexPool. The TexPool Advisory Board, composed equally of participants in TexPool and other persons who do not have a business relationship with TexPool, acts as advisor on TexPool's Investment Policy.

J.P. Investment Management, Inc. and HilltopSecurities serve as coadministrators for TexSTAR under an agreement with the TexSTAR board of directors (the Board). The Board is composed of five members, three are representatives of participants in TexSTAR and the other two members are designated by each of the coadministrators. The Board manages the business and affairs of TexSTAR in accordance with its bylaws.

Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (the current portion of interfund loans) or "advance to/from other funds" (the noncurrent portion of interfund loans). Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and are due and payable on or before January 31 of the following year. All unpaid taxes become delinquent February 1 of the following year. City property taxes are billed and collected by Dallas County or Collin County depending on the county in which the property is located. City property tax revenues are recognized in the period for which they are collected. An allowance is established for delinquent taxes to the extent that their collectability is improbable.

The Statutes of the State of Texas do not prescribe a legal debt limit; however, Article XI, Section 5 of the Texas Constitution applicable to cities with a population of more than 5,000, limits the ad valorem tax rate to $2.50 per $100 assessed valuation. For the year ended September 30, 2025, the City's tax rate was $0.54218 per $100 assessed valuation.

Inventories and Prepaid Items

Inventories

Inventory consists primarily of supplies, valued at cost, which approximates market. Cost is determined using a weighted-average method. The cost of inventories is recorded as expenditures/expenses when consumed rather than when purchased. Accordingly, fund balance is classified as nonspendable for an amount equal to inventory to signify those funds are not available for expenditure.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Property Held for Redevelopment

The City records all property held for redevelopment at net realizable value. During FY 2012 the City acquired land which is being held for future economic development. Total land was recorded at a net realizable value of $274,020.

Capital Assets

Property, plant, equipment and public domain (infrastructure) capital assets such as roads, bridges, curbs, gutters, streets and sidewalks, drainage systems, and water and sewer systems are recorded in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements of the proprietary funds. All assets are recorded at historical cost or estimated historical cost if actual historical cost is not available (except for intangible right-to-use assets, the measurement of which is discussed under the Leases section of this footnote). Donated capital assets are recorded at their acquisition value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized, but are recorded as expenditures/expenses as incurred.

Assets are capitalized that have an original cost of $10,000 or more and an estimated useful life of more than two years. Depreciation has been calculated on each class of depreciable property using the straight-line method, with one-half year's depreciation in the year of acquisition and one-half year in the final year of life or upon disposal which ever event occurs first. Intangible right-to-use assets are discussed in further detail under the Leases section of this footnote.

Estimated useful lives are as follows:

Land improvements	10 - 50 years
Buildings	10 - 50 years
Other improvements	5 - 50 years
Infrastructure	30 years
Vehicles, machinery and equipment	3 - 20 years
Intangible right-to-use land and equipment	2 - 5 years
Subscription based information technology agreements	3 - 10 years

Leases

Lessee

The City recognizes a lease liability and an intangible right-to-use asset in the government-wide and proprietary fund statements.

At implementation of GASB Statement No. 87 and the commencement of leases beginning after October 1, 2021, the City initially measured the lease liability at the present value of payments expected to be made during the remaining lease term. Subsequently, the lease liability is reduced by the principal portion of the lease payments made. The lease right-to-use asset was initially measured as the inital amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the right-to-use asset is amortized on a straight-line basis over its useful life.

Key estimates and judgements related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term and (3) lease payments. The City uses the interest rate charged by the lessor as the discount rate if it has been provided. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases. The term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of the fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasuremnt of its lease and will remeasure the lease aseet and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Intangible right-to-use assets are reported with other capital assets and lease liabilities are reported with long-term debt on the Statement of Net Position.

Lessor

The City recognizes a lease receivable and a deferred inflow of resources in the government-wide, governmental, and proprietary funds financial statements.

At implementation of GASB Statement No. 87 and the commencement of leases beginning after October 1, 2021, the City initially measured the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term in a systematic and rational manner.

Key estimates and judgements include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term and (3) lease receipts. The City uses the stated rate, implicit (estimated) rate, lessor incremental borrowing rate, or the rate disclosed in the agreement. If the rate is not readily available, the City uses its estimated incremental borrowing rate as the discount rate. The lease term includes the non-cancellable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

The City monitors changes in circumstance that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflow of resources if certain changes occur that are expected to significantly affect the amount of lease receivable.

Subscription Based Information Technology Agreements

The City recognizes a SBITA liability and an intangible right-to-use SBITA asset in the government-wide fund financial statements.

At implementation of GASB Statement No. 86 and the commencement of SBITA beginning after October 1, 2022, the City initially measured the liability at the present value of payments expected to be made during the remaining agreement term. Subsequently, the SBITA liability is reduced by the principal portion of payments made. The SBITA right-to-use asset was initially measured as the initial amount of the SBITA liability, adjusted for payments made at or before the commencement date, plus certain initial direct costs. Subsequently, the SBITA right-to use asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to SBITA include how the City determines (1) the discount rate it uses to discount the expected payments to present value, (2) agreement term and (3) agreement payments. The City uses the interest rate charged by the provider as the discount rate if it has been provided. When the interest rate charged by the providor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for SBITA. The agreement term includes the noncancellable period of the agreement. Agreement payments included in the measurement of the SBITA liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its SBITA and will remeasure the SBITA asset and liability if certain changes occur that are expected to significantly affect the amount of the SBITA liability.

SBITA assets are reported with other capital assets and SBITA liabilities are reported with long-term debt on the Statement of Net Position.

Asset Impairments and Insurance Recoveries

The City has recorded insurance recoveries related to the impairment of capital assets as program revenue at the government-wide level, as other financing sources in the Governmental Funds and as other nonoperating revenues in the Enterprise Funds. For the year ended September 30, 2025, the City received $363,778 in insurance recoveries. There were no recoveries in the Enterprise Funds.

Money Held in Escrow

During FY 2023, the City received $15,716,125 from the North Texas Municipal Water District for the construction of a 30 inch water line and metering station that is being built in conjunction with a City water project. The funds will be applied against construction costs as they are incurred. During FY 2025 the City incurred costs of $7,036,654 that were applied to the escrow, leaving a balance of $4,454,776.

The City also holds $475,873 in escrow deposits to be used for various projects throughout the city.

Compensated Absences

The City allows employees to accumulate unlimited unused sick leave. Earned vacation time is generally required to be used within one year of accrual, although the City allows employees to carry up to 20 days of vacation time into the next year. Upon termination, the City pays non-retirees up to 22 days of accumulated sick leave and pays retirees up to 90 days of accumulated sick leave. Sick leave in excess of the 22-day maximum is not paid upon termination to non-retirees and will be paid only upon illness while in the employment of the City. Any accumulated vacation that was not taken due to work-related assignments is paid upon termination, with authorization by the City Manager or his designee, based on years of service. Compensated absences are reported in Governmental Funds if they are pending maturities owed to separated employees at the end of the reporting period.

Postemployment Benefits

The City provides postemployment healthcare benefits to all employees who retire from the City. All employees who are vested in the City's pension plan, Texas Municipal Retirement System (TMRS), are eligible for these benefits with 20 years or more of service, regardless of age, or with 5 years or more of service at age 60 and above. Coverage is also available to dependents or surviving spouses of retirees. The City subsidizes medical, dental, and hospitalization costs incurred by retirees and their dependents. Recommendations for plan benefits are presented to City Council for their approval during the annual budget process. The City's plan qualifies as a single-employer, defined benefit plan. Complete details of the plan are listed in Note 18.

Long-Term Obligations

General Obligation Bonds and other debt issued for general government capital projects and acquisitions that are to be repaid from tax revenues of the City are recorded in the governmental activities column in the government-wide Statement of Net Position. Debt issued to fund capital projects in the proprietary funds is recorded in the business-type activities column in the government-wide Statement of Net Position and in the proprietary fund Statement of Net Position. Bond premiums and discounts as well as deferred charges on refunded debt obligations are amortized over the life of the bonds using the effective interest method in the government-wide financial statements and in the proprietary funds. Bonds payable are reported net of the applicable bond premiums and discounts.

In the governmental funds, bond premiums and discounts are recognized in the period the bonds are issued. Bond proceeds are reported as other financing sources, as are any applicable premium or discount. Issuance costs are expensed in the period the bonds are issued.

Classifications of Fund Balance

Governmental fund balances are classified in order of their spending priorities:

Nonspendable fund balances represent amounts that cannot be spent because they are legally or contractually required to be maintained.

Restricted fund balances in the governmental funds are restricted to specific purposes that are externally imposed by creditors, grantors, contributors or laws or regulations of other governments.

Committed fund balances are amounts that can only be used for specific purposes with constraints imposed by the formal action of the City Council's adoption of an ordinance.

Assigned fund balances are amounts that are constrained by the City's intent to be used for specific purposes but are neither restricted nor committed. Assigned fund balances are determined by City management based on City Council direction, in accordance with financial policies adopted by resolution.

Unassigned fund balance represents the amount that does not meet the criteria for nonspendable, restricted, committed, or assigned.

The City considers an expenditure to be made from the most restrictive resources/funds when more than one classification is available. This may result in certain special revenue funds reporting assigned residual balances if restricted or committed balances, which make up the majority of the fund's resources, have been exhausted.

The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position reports a separate section of deferred outflows of resources and deferred infows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses/expenditure) until the appropriate time period. The deferred outflows of resources are reported in the government-wide statement of net position for governmental and business activities and the fund level for the proprietary statement of net position. In addition to liabilities, the Statement of Net Position and Balance Sheet reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenues) until that time.

There are several financial statement transactions that qualify for reporting as a deferred outflow or inflow of resources. First, the City's contributions to its pension and OPEB plans made from the measurement date of the respective plans to the current fiscal year end are classified as deferred outflows and will be recognized in the subsequent fiscal year. Second, at the governmental fund level, revenues that have been billed but not yet collected are reported as unavailable revenues. These amounts are classified as deferred inflows and recognized as revenue in the period they become available to the City. Finally, the value of future lease payments due to the City is reported as a deferred inflow of resources and will be recognized as revenue in future periods as lease payments are received.

Several financial statement transactions may be reported as a deferred outflows or inflows of resources. First, the deferred charge on refunded debt results from the difference in the carrying value of the refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Second, the actual versus projected investment earnings for the pension plan, the changes in assumptions for the pension and OPEB plans and difference between the actual versus projected actuarial experience for the pension and OPEB plans may qualilfy as a deferred outflow or inflow of resources. These amounts are deferred and recognized as pension or OPEB expense or reduction of expense as appropriate based over a closed five-year period (investment experience) or the estimated average remaining services lives of employees that are provided with the respective benefits, both active and inactive employees, as calculated by the respective plans (all other pension/OPEB deferrals).

Minimum Fund Balance Policy

It is the desire of the City to maintain adequate fund balance in the General Fund in order to maintain liquidity and in anticipation of economic downturns or natural disasters. The City Council has adopted a financial policy to maintain a minimum fund balance of 90 days of budgeted expenditures in the General Fund.

Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any debt used for the acquisition, construction or improvements of those assets, plus any unspent debt proceeds. The government-wide statement of net position reports $142,222,167 of restricted net position. These resources are limited in their use by external parties such as bondholders and granting agencies. Unrestricted net position may be used for any lawful purpose.

2. Reconciliation of Government-Wide and Fund Financial Statements

A. Explanation of Certain Differences between the Governmental Funds Balance Sheet and the Government-Wide Statement of Net Position

The governmental funds Balance Sheet includes reconciliation between fund balances – total governmental funds and net position – governmental activities as reported in the government-wide Statement of Net Position. One element of that reconciliation explains that "long-term liabilities, including bonds payable, leases, accrued interest, and related deferred charges, are not due and payable in the current period and therefore are not reported in the funds."

The details of the $577,266,100 are as follows:

Bonds payable	$ 358,405,000
Notes payable, leases and other contractual obligations	85,972,494
Less issuance discount (to be amortized as interest expense)	(49,993)
Add issuance premium (to be amortized as interest expense)	26,877,129
Less deferred charges on refunding, net (to be amortized as interest expense)	2,015,672
Accrued interest payable	14,560,526
TMRS pension liability/(asset)	27,867,803
Postemployment liability	33,817,574
Compensated absences	17,420,630
Workers' compensation liability	4,912,237
Arbitrage liability	5,467,028
Net adjustment to reduce fund balances - total governmental	$ 577,266,100

B. Explanation of Certain Differences between the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-Wide Statement of Activities

The governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances includes a reconciliation between net change in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide Statement of Activities. One element of this reconciliation explains that the "Governmental funds report capital outlay and lease expenditure outlays as expenditures. However, in the Statement of Activities, the cost of those capital and intangible right-to-use assets is allocated over their estimated useful lives and reported as depreciation or amortization expense." The details of this $92,661,283 difference are as follows:

Capital Outlay	$ 116,661,666
Lease Expenditure Outlay	269,422
SBITA Expenditure Outlay	4,596,081
Governmental Depreciation and Amortization Expense	(28,865,886)
Net adjustment to increase fund balances - total governmental funds to arrive at changes in net position of governmental activities	$ 92,661,283

Another element of the reconciliation states "The issuance of long-term debt (e.g., bonds, leases, and notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is originally issued, whereas these amounts are amortized in the Statement of Activities."

The details of the $32,326,213 are as follows:

Debt issued or incurred:	
General obligations, certificates of obligation, and refunding bonds	$ (69,715,000)
Notes payable and other contractual obligations	(70,978)
Lease obligations	(269,422)
SBITA obligations	(5,023,763)
Add premium and discount	(2,990,979)
Principal repayments:	
General obligation bonds	27,255,000
Tax Anticipation Notes	1,920,000
Certificates of obligation	8,450,000
Notes payable and other contractual obligations	4,476,505
Lease obligations	1,139,616
SBITA obligations	2,463,126
Refunding adjustments	39,682
Net adjustment to decrease fund balance - total governmental funds to arrive at changes in net position of governmental activities	$ (32,326,213)

Another element of the reconciliation states, "Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds." The details of the $1,268,319 are as follows:

Amortization of bond premium	$ 2,921,477
Amortization of bond discount	(3,271)
Amortization of deferred charge on refunded bonds	380,031
Accrued interest	(1,661,192)
Change in arbitrage	(1,414,585)
Pension expenses	16,917,205
Other postemployment benefits	8,811,044
Compensated absences	359,353
Workers compensation	161,941
Change in deferred inflows	(7,271,247)
Change in deferred outflows	(17,932,437)
Net adjustment to increase fund balance - total governmental funds to arrive at changes in net position of governmental activities	$ 1,268,319

3. Deposits and Investments

	Bank balance	Book balance
Financial Institution:		
Bank of America - City	$ 14,333,618	$ 10,250,078
Bank of America - RIC	11,589	11,589
Frost - City	28,036	28,036
ProCard Payment in Transit - City	-	(2,054)
Petty Cash - City	-	11,805
Total	$ 14,373,243	$ 10,299,454

Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The three levels of the fair value hierarchy are described as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets. These types of investments primarily include common stock and equities traded on public exchanges.

Level 2 - Significant observable inputs for the asset other than quoted prices included within Level 1 that are observable for similar securities, but not exact. These types of investments include US Government obligations and obligations of government agencies.

Level 3 - Significant unobservable inputs for an asset, as they trade infrequently or not at all. (The City does not value any investments using Level 3 inputs).

The City has the following recurring fair value measurements as of September 30, 2025:

	9/30/2025	Inputs (Level 1)	Inputs (Level 2)	Inputs (Level 3)	Weighted average maturity (days) (1)
Investments by fair value level					
Debt securities					
Federal Farm Credit Bank	$ 42,054,712	$ -	$ 42,054,712	$ -	66
U.S. Treasuries	213,107,930	-	213,107,930	-	326
Total investment by fair value level	255,162,642	$ -	$ 255,162,642	$ -	
Investments measured at net asset value					
Federated Money Market Fund	10,206,306				1
Total investments measured at net asset value	10,206,306				
Investments measured at amortized cost					
Texas Range LGIP	55,451,125				6
TexStar LGIP	35,375,823				4
TexPool LGIP	75,519,464				7
Total investments at amortized cost	166,346,412				
Total investments	$ 431,715,360				
Portfolio weighted average maturity					410

(1) Amounts shown as zero are less than one day.

The amounts for the Investment Pools (Texpool, TexStar and Texas Range) and the Federated Money Market Fund are included for financial reporting purposes in cash and cash equivalents.

The City's Local Government Investment Pools (LGIPs) listed above qualify to be valued at amortized cost and have no limitations or restrictions on withdrawals.

Debt securities classified as Level 2 of the fair value hierarchy are valued by SVC, a subsidiary of SS&C Technologies. SVC uses a number of sources for their pricing data, with most government securities pricing provided by Interactive Data Corp (IDC), an independent third-party pricing service which is the largest provider of fixed income pricing. Security values are determined through matrix pricing, which values securities based on their relationship to benchmark quoted prices.

Credit Risk – Investments. The City's investment policy requires that joint investment pools maintain a continuous rating no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating agency, and that obligations of states, agencies, cities, or other political subdivisions of any state be rated no less than A or an equivalent rating by at least one nationally recognized rating agency. The City's investment policy has no other restrictions relating to credit ratings that would limit its investment options. Standard & Poor's has rated investments in Federal Farm Credit Bank as AA+ as of September 30, 2025. Standard & Poor's has rated investments in TexPool, TexSTAR, and Federated Money Market Funds as AAA-m as of September 30, 2025. Fitch has rated investments in Texas Range as AAA-mmf as of September 30, 2025.

Custodial Credit Risk – Deposits and Investments. For deposits, custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned. The City's investment policy follows state statutes, which require that all deposits in financial institutions be fully collateralized or insured. For investments, custodial credit risk is the risk that in the event of the failure of a counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy requires that all investments held by outside parties for safekeeping be held in the name of the City. The City was not exposed to any custodial credit risk during the year.

Interest Rate Risk – Investments. In accordance with its investment policy, the City manages its exposure to declines in fair values by limiting the weighted average maturity of its operating portfolio to one year or less. The maximum weighted average maturity for the City's composite portfolio is three years.

Concentration of Credit Risk – Investments. The City's investment policy does not place a limit on the amount the City may invest in a single issuer, except that the City may not invest more than 25% in an individual investment pool or money market mutual fund. At September 30, 2025, the City's direct investments are in the U.S. Treasuries and Federal Farm Credit Bank. These investments are 49% and 10% respectively, of the City's total investments.

4. Restricted Assets

Enterprise Funds

At year-end, the following were the restricted assets in the Enterprise Funds:

	Water and Sewer Fund	Solid Waste Fund	Total
Restricted Cash:			
Debt Service - Sinking Fund	$ 765,785	$ 185,053	$ 950,838
Customer Deposits	3,633,583	-	3,633,583
Rate Stabilization	2,481,185	-	2,481,185
Capital Project and Equipment Funds	42,507,393	6,248,099	48,755,492
Total Restricted Cash	49,387,946	6,433,152	55,821,098
Other Receivables	2,388	-	2,388
Restricted Investments	10,023,274	-	10,023,274
Total Restricted Assets	$ 59,413,608	$ 6,433,152	$ 65,846,760

5. Receivables

Amounts other than leases receivable at September 30, 2025, for the government's individual major governmental funds, nonmajor funds, and internal service funds in the aggregate, and for individual major business-type funds, including the applicable allowances for uncollectible accounts, consist of the following:

Governmental Receivables

	General Fund	Debt Service Fund	Capital Project Funds	Hotel/ Motel Tax Fund	Nonmajor Governmental Funds	Total Governmental Funds
Receivables:						
Taxes - property	$ 1,063,279	$ 694,365	$ -	$ -	$ -	$ 1,757,644
Taxes - sales	4,254,651	-	-	-	-	4,254,651
Trade accounts	6,101,753	-	127,957	405,567	548,423	7,183,700
Interest	1,192,016	-	1,558,215	24,989	1,620	2,776,840
Intergovernmental	105,550	-	4,386,475	-	714,342	5,206,367
Gross receivable	12,717,249	694,365	6,072,647	430,556	1,264,385	21,179,202
Less allowance for uncollectibles	(1,373,585)	-	-	-	(14,786)	(1,388,371)
Net receivables	$ 11,343,664	$ 694,365	$ 6,072,647	$ 430,556	$ 1,249,599	$ 19,790,831

Business-Type Receivables

	Water and Sewer Fund	Solid Waste Fund	Total Business-Type Activities
Receivables:			
Unrestricted			
Trade accounts	$ 10,786,244	$ 1,870,241	$ 12,656,485
Other receivables	897,308	32,163	929,471
Interest	7,226	-	7,226
Gross receivable	11,690,778	1,902,404	13,593,182
Less allowance for uncollectibles	(534,874)	(91,453)	(626,327)
Net unrestricted receivables	$ 11,155,904	$ 1,810,951	$ 12,966,855

The Water and Sewer and Solid Waste trade accounts receivable include unbilled charges for services rendered through September 30, 2025.

Leases Receivables

The City has entered into multiple lease agreements for land and cell sites as lessor. During the year ended September 30, 2025, $142,112 and $312,578 were received in principal and interest for governmental activities, and $300,638 and $35,668 were received in principal and interest for business-type activities. The City initially measures the lease receivable at the present value of payments expected to be received during the remaining lease term. The lease rate, term and ending lease receivables are as follows:

	Interest Rates	Receivable at Commencement	Lease Term in Years	Ending Balance
Governmental Type				
Facility Lease (TIF #1 Fund)	0.74%	$ 462,730	7	$ 439,541
Facility Lease (TIF #1 Fund)	2.72%	322,327	8	289,107
Parking Structure (Hotel/Motel Fund)	1.72%	17,823,675	85	17,413,698
Total Governmental Type		$ 18,608,732		$ 18,142,346
Business Type				
Cell Sites (Water/Sewer Fund)	0.30% - 3.18%	$ 2,659,912	3 - 15	$ 1,550,554

The future principal and interest payments as of September 30, 2025, were as follows:

	Governmental Activity			Business-Type Activity		
Fiscal Year	Principal Payments	Interest Payments	Total Payment	Principal Payments	Interest Payments	Total Payment
2026	$ 130,282	$ 318,183	$ 448,465	$ 319,413	$ 28,939	$ 348,352
2027	128,976	315,714	444,690	334,354	21,835	356,189
2028	161,563	313,127	474,690	306,244	14,278	320,522
2029	256,349	308,341	564,690	131,964	7,754	139,718
2030	262,263	302,427	564,690	97,107	6,017	103,124
2031 - 2035	874,459	1,439,316	2,313,775	294,343	17,382	311,725
2036 - 2040	616,800	1,380,150	1,996,950	67,129	937	68,066
2041 - 2045	672,218	1,324,732	1,996,950	-	-	-
2046 - 2050	732,616	1,264,334	1,996,950	-	-	-
2051 - 2055	798,440	1,198,510	1,996,950	-	-	-
2056 - 2060	870,178	1,126,772	1,996,950	-	-	-
2061 - 2065	948,362	1,048,588	1,996,950	-	-	-
2066 - 2070	1,033,571	963,379	1,996,950	-	-	-
2071 - 2075	1,126,435	870,515	1,996,950	-	-	-
2076 - 2080	1,227,643	769,307	1,996,950	-	-	-
2081 - 2085	1,337,944	659,006	1,996,950	-	-	-
2086 - 2090	1,458,156	538,794	1,996,950	-	-	-
2091 - 2095	1,589,169	407,781	1,996,950	-	-	-
2096 - 2100	1,731,952	264,998	1,996,950	-	-	-
2105 - 2105	1,887,565	109,385	1,996,950	-	-	-
2106	297,405	2,138	299,543	-	-	-
Total	$ 18,142,346	$ 14,925,497	$ 33,067,843	$ 1,550,554	$ 97,142	$ 1,647,696

6. Capital and Intangible Right-To-Use Assets

Capital and intangible right-to-use asset activity for the year ended September 30, 2025 was as follows:

	October 1, 2024	Increases	Decreases	September 30, 2025
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 95,143,000	$ -	$ -	$ 95,143,000
Public Art	4,237,208	-	-	4,237,208
Construction in Progress	138,294,377	116,758,358	(63,705,325)	191,347,410
Total capital assets, not being depreciated	237,674,585	116,758,358	(63,705,325)	290,727,618
Capital assets, being depreciated:				
Buildings	213,506,800	703,573	-	214,210,373
Improvements other than buildings	124,507,126	6,641,250	-	131,148,376
Vehicles, machinery and equipment	73,046,262	11,547,569	(3,324,934)	81,268,897
Infrastructure	571,785,031	44,812,932	-	616,597,963
Total	982,845,219	63,705,324	(3,324,934)	1,043,225,609
Less accumulated depreciation for:				
Buildings	(89,192,999)	(4,534,305)	-	(93,727,304)
Improvements other than buildings	(75,267,495)	(3,718,666)	-	(78,986,161)
Vehicles, machinery, and equipment	(58,435,537)	(5,553,631)	3,226,166	(60,763,002)
Infrastructure	(400,290,338)	(11,528,135)	-	(411,818,473)
Total	(623,186,369)	(25,334,737)	3,226,166	(645,294,940)
Total assets being depreciated, net	359,658,850	38,370,587	(98,768)	397,930,669
Intangible right-to-use assets:				
Lease vehicle and equipment	736,049	-	-	736,049
Lease buildings	7,732,246	269,422	-	8,001,668
Lease land	2,688,559	-	(2,688,559)	-
Total	11,156,854	269,422	(2,688,559)	8,737,717
Less accumulated amortization for:				
Lease vehicles and equipment	(79,061)	(169,060)	-	(248,121)
Lease buildings	(2,595,554)	(1,771,480)	-	(4,367,034)
Lease land	(2,353,032)	(335,527)	2,688,559	-
Total	(5,027,647)	(2,276,067)	2,688,559	(4,615,155)
Total intangible right-to-use assets, net	6,129,207	(2,006,645)	-	4,122,562
SBITA assets:	8,684,889	5,951,215	(1,210,061)	13,426,043
Less accumulated amortization:	(2,770,644)	(2,244,168)	857,616	(4,157,196)
Total SBITA, net	5,914,245	3,707,047	(352,445)	9,268,847
Total capital assets being depreciated or amortized	371,702,302	40,070,989	(451,213)	411,322,078
Governmental capital assets, net	$ 609,376,887	$ 156,829,347	$ (64,156,538)	$ 702,049,696

	October 1, 2024	Increases	Decreases	September 30, 2025
Business-type activities:				
Capital assets, not being depreciated:				
Land	$ 423,510	$ -	$ -	$ 423,510
Construction in progress	53,760,761	19,161,970	(10,370,471)	62,552,260
Total capital assets, not being depreciated	54,184,271	19,161,970	(10,370,471)	62,975,770
Capital assets, being depreciated:				
Buildings	9,990,373	-	-	9,990,373
Improvements other than buildings	2,589,634	-	-	2,589,634
Vehicles, machinery and equipment	40,087,149	2,085,080	(2,803,193)	39,369,036
Infrastructure	246,285,062	8,285,396	-	254,570,458
Total	298,952,218	10,370,476	(2,803,193)	306,519,501
Less accumulated depreciation for:				
Building	(6,829,987)	(156,612)	-	(6,986,599)
Improvements other than buildings	(1,372,653)	(101,170)	-	(1,473,823)
Vehicles, machinery and equipment	(31,243,738)	(2,105,940)	2,803,193	(30,546,485)
Infrastructure	(160,391,722)	(5,721,506)	-	(166,113,228)
Total	(199,838,100)	(8,085,228)	2,803,193	(205,120,135)
Total assets being depreciated, net	99,114,118	2,285,248	-	101,399,366
Intangible right-to-use assets:				
Lease equipment	13,221	-	(13,221)	-
Lease land	168,015	-	(168,015)	-
Lease buildings	-	93,681	-	93,681
Total	181,236	93,681	(181,236)	93,681
Less accumulated amortization for:				
Lease equipment	(10,842)	(2,379)	13,221	-
Lease land	(112,009)	(56,006)	168,015	-
Lease building	-	(17,175)	-	(17,175)
Total	(122,851)	(75,560)	181,236	(17,175)
Total intangible right-to-use asset, net	58,385	18,121	-	76,506
SBITA assets	246,263	-	-	246,263
Less accumulated amortization	(75,247)	(82,087)	-	(157,334)
Total SBITA, net	171,016	(82,087)	-	88,929
Total capital assets being depreciated or amortized	99,343,519	2,221,282	-	101,564,801
Business-type activities capital assets, net	$ 153,527,790	$ 21,383,252	$ (10,370,471)	$ 164,540,571

Depreciation and amortization expense was charged to functions/programs of the City as follows:

Governmental activities:	
General government	$ 7,507,829
Public safety	5,687,888
Public service	11,600,195
Library	320,830
Parks and recreation	3,693,891
Health	55,253
Total governmental funds	28,865,886
Internal service fund	989,086
Depreciation/amortization expense - governmental activities	$ 29,854,972
Business-type activities:	
Water and sewer	$ 6,532,142
Solid waste	1,710,733
Depreciation/amortization expense - business activities	$ 8,242,875

7. Construction and Purchase Commitments

Outstanding commitments as of September 30, 2025, under authorized construction and purchase contracts as follows.

Governmental activities:	
Capital funds	$ 82,632,967
General fund	528,072
Hotel/motel tax fund	25,961
Other governmental funds	3,631,641
Total governmental activities	$ 86,818,641
Business-type activities:	
Water and sewer	$ 12,874,602
Solid waste	714,743
Internal service	4,435
Total business-type activities	$ 13,593,780

Outstanding commitments will be financed by proceeds from annual appropriations, bond issues, federal grants, and from revenues such as participation revenue from other governments or developers and operating revenues dedicated to specific purposes.

8. Interfund Receivables, Payables and Transfers

There were no interfund balances at September 30, 2025.

Individual fund transfers for the fiscal year were as follows:

	Transfers In					
Transfers Out	General Fund	Debt Service	Capital Projects	Other Governmental Funds	Internal Service Funds	Total
General Fund	$ -	$ 2,265,000	$18,940,848	$ 2,076,659	$ 1,000,000	$ 24,282,507
Capital Projects	-	110,229	-	-	1,000,000	1,110,229
Other Governmental	722,274	-	549,600	-	-	1,271,874
Total	$ 722,274	$ 2,375,229	$ 19,490,448	$ 2,076,659	$ 2,000,000	$ 26,664,610

General Fund Transfers Out:

- $18,940,848 to the Capital Project Fund to be used for future capital improvements and street rehabilitation.
- $2,076,659 to the Other Governmental Funds for funding of economic development projects.
- $2,265,000 to the Debt Service Fund to meet debt service requirements.
- $1,000,000 to the Insurance Fund to support self-insurance programs.

Capital Projects Funds Transfers Out:

- $110,229 to the Debt Service Fund to account for unspent bond proceeds for project funding.
- $1,000,000 to the Insurance Fund to support self-insurance programs.

Other Governmental Funds Transfer Out:

- $50,000 to the General Fund from the Child Safety Fund to support the school crossing guard program.
- $650,000 to the General Fund from the Wireless Fund to support the expenses of the 911 Call Center.
- $22,274 to the General Fund from the Court Buildings Security to support Bailiffs.
- $549,600 to the Capital Project Fund from the Golf Fund for future capital improvements.

9. Long-Term Obligations

The following is a summary of financial obligations for the fiscal year ended September 30, 2025:

	Balance beginning of year	Increases	Decreases	Balance end of year	Due within one year
Governmental-type activities:					
General obligation bonds	$ 224,310,000	$ 61,310,000	$ (26,595,000)	$ 259,025,000	$ 30,140,000
Certificates of obligation	98,150,000	8,405,000	(8,450,000)	98,105,000	6,110,000
General obligation bonds from direct borrowings	1,935,000	-	(660,000)	1,275,000	-
Bond discounts/premiums [1]	26,794,045	2,990,979	(2,957,888)	26,827,136	2,393,151
Total bonds payable	351,189,045	72,705,979	(38,662,888)	385,232,136	38,643,151
Tax anticipation notes from direct borrowings	1,920,000	-	(1,920,000)	-	-
Financed purchases and other contractual obligations	1,117,665	70,978	(424,807)	763,836	349,549
Lease obligations	3,751,993	269,422	(1,188,170)	2,833,245	1,265,516
SBITA obligations	6,147,064	6,362,791	(3,549,092)	8,960,763	2,545,072
TIF obligations	82,458,544	-	(4,051,698)	78,406,846	-
Arbitrage liability	4,052,443	1,726,715	(312,130)	5,467,028	782,377
Other postemployment benefits	42,907,784	3,668,075	(12,555,821)	34,020,038	1,957,020
TMRS - pension liability	45,347,820	55,316,154	(72,380,625)	28,283,349	-
Compensated absences [2]	17,893,963	-	(390,362)	17,503,601	1,925,396
Workers' compensation	5,074,178	1,018,316	(1,178,690)	4,913,804	477,870
Unpaid claims liability	1,104,705	18,457,051	(18,274,362)	1,287,394	1,287,394
Total governmental-type long-term liabilities	$562,965,204	$159,595,481	$ (154,888,645)	$567,672,040	$ 49,233,345
Business-type activities:					
General obligation refunding bonds	$ 7,850,000	$ -	$ (2,235,000)	$ 5,615,000	$ 1,660,000
Certificates of obligation	81,410,000	18,265,000	(4,780,000)	94,895,000	5,540,000
Bond discount/premiums [1]	8,200,465	1,237,058	(816,598)	8,620,925	799,971
Total bonds payable	97,460,465	19,502,058	(7,831,598)	109,130,925	7,999,971
Lease obligations	59,697	93,682	(78,189)	75,190	17,295
SBITA obligations	161,261	-	(79,208)	82,053	82,053
Arbitrage liability	802,721	138,984	(120,563)	821,142	266,625
Other postemployment benefits	7,085,005	633,109	(2,167,134)	5,550,980	319,323
TMRS - pension liability	8,361,213	9,797,259	(12,742,583)	5,415,889	-
Compensated absences [2]	1,739,914	-	(255,837)	1,484,077	163,249
Workers' compensation	204,233	128,099	(204,234)	128,098	128,098
Total business-type long-term liabilities	$115,874,509	$ 30,293,191	$ (23,479,346)	$122,688,354	$ 8,976,614

The City has no unused lines of credit.

(1) All bond discounts/premiums are related to public borrowings.

(2) In accordance with GASB Statement No. 101, increases and decreases in the liability for compensated absences are presented on a net basis.

Governmental Activities:

Bonds issued for the General Government are payable from the levy of property taxes assessed against taxable property within the City.

	Interest Rate %	Issue Date	Maturity Date	Original Issue	Outstanding 9/30/2025	Due Within One Year
General Obligation Bonds						
2025 General Obligation	5.00	5/28/2025	2/15/2045	$ 61,310,000	$ 61,310,000	$ 14,535,000
2024 General Obligation	4.00 - 5.00	5/22/2024	2/15/2044	62,915,000	52,030,000	1,685,000
2023 General Obligation	5.00	5/24/2023	2/15/2043	43,885,000	32,175,000	1,130,000
2022 General Obligation	3.25-5.00	5/25/2022	2/15/2042	28,915,000	16,330,000	660,000
2021 Refunding	2.00 - 4.00	5/26/2021	2/15/2041	12,630,000	10,655,000	535,000
2020 Refunding	5.00	2/26/2020	2/15/2030	40,425,000	20,950,000	3,780,000
2019 General Obligation	2.62 - 4.00	4/25/2019	2/15/2039	16,790,000	13,075,000	740,000
2018 General Obligation	3.00 - 5.00	4/25/2018	2/15/2038	38,525,000	28,965,000	1,725,000
2017 General Obligation	3.00 - 4.00	5/04/2017	2/15/2037	19,725,000	14,210,000	935,000
2016A Ref. & Imp.	2.00 - 5.00	4/15/2016	2/15/2036	16,815,000	3,020,000	1,330,000
2015 Refunding	4.00 - 5.00	3/15/2015	2/15/2026	39,185,000	2,820,000	2,820,000
Total general obligation bonds - tax exempt					255,540,000	29,875,000
General Obligations - direct borrowings						
2020A General Obligation	Adjustable	2/26/2020	6/15/2030	15,015,000	1,275,000	-
Total general obligation bonds - direct borrowings					1,275,000	-
Taxable General Obligation Bonds						
2016B Taxable	3.00 - 3.77	4/15/2016	2/15/2036	5,470,000	3,485,000	265,000
Total general obligation bonds - taxable					3,485,000	265,000
Total governmental-type general obligation, taxable and tax exempt bonds					260,300,000	30,140,000

	Interest Rate %	Issue Date	Maturity Date	Original Issue	Outstanding 9/30/2025	Due Within One Year
Certificates of Obligations						
2025A Certificates	5.00	5/28/2025	2/15/2033	$ 2,310,000	$ 2,310,000	$ 220,000
2025B Certificates	4.20 - 5.70	5/28/2025	2/15/2045	6,095,000	6,095,000	120,000
2024 Certificates	3.00 - 5.00	5/22/2024	2/15/2044	4,335,000	4,135,000	260,000
2023 Certificates	5.00	5/24/2023	2/15/2043	24,450,000	22,505,000	1,190,000
2023A Certificates	4.25-5.25	5/24/2023	2/15/2043	9,130,000	8,640,000	315,000
2022 Certificates	4.0	5/25/2022	2/15/2030	1,305,000	865,000	160,000
2021 Certificates	2.00 - 4.00	5/26/2021	2/15/2041	14,565,000	10,805,000	650,000
2020 Certificates	4.00 - 5.00	2/26/2020	2/15/2040	6,055,000	3,575,000	285,000
2019 Certificates	3.00 - 5.00	4/25/2019	2/15/2039	20,990,000	7,500,000	775,000
2018 Certificates	3.13 - 5.00	4/25/2018	2/15/2038	26,290,000	15,445,000	1,080,000
2017 Certificates	2.00 - 5.00	5/04/2017	2/15/2037	20,930,000	12,205,000	805,000
2015A Certificates	2.00 - 5.00	3/15/2015	2/15/2035	3,695,000	300,000	25,000
2013 Certificates	1.50 - 4.00	3/15/2013	2/15/2033	4,290,000	355,000	40,000
Total certificates of obligation-tax exempt					94,735,000	5,925,000
Taxable Certificates of Obligation						
2021A Certificates	Adjustable	5/26/2021	2/15/2041	4,045,000	3,370,000	185,000
Total certificates - taxable					3,370,000	185,000
Total governmental-type certificates of obligation, taxable and tax exempt bonds					98,105,000	6,110,000
Add: unamortized premium					26,877,129	2,395,524
Less: unamortized discount					(49,993)	(2,373)
Total general government bonds and certificates of obligation					$ 385,232,136	$ 38,643,151

Business-Type Activities:

Bonds issued for business-type activities are secured by a pledge of the property tax levy of the City, but are self-supporting Obligations which are paid from the respective net revenues of each activity.

	Interest Rate %	Issue Date	Maturity Date	Original Issue	Outstanding 9/30/2025	Due Within One Year
Water and Sewer:						
General Obligation Bonds						
2021 Refunding	2.00 - 4.00	5/26/2021	2/15/2041	$ 1,935,000	$ 1,245,000	$ 185,000
2020 Refunding	5.00	2/26/2020	2/15/2030	5,880,000	2,455,000	510,000
2016A Refunding	3.00 - 5.00	4/15/2016	2/15/2028	6,185,000	1,690,000	740,000
2015 Refunding	3.00 - 5.00	3/15/2015	2/15/2026	2,480,000	225,000	225,000
Total water and sewer general obligation bonds					5,615,000	1,660,000
Certificates of Obligations						
2025 Certificates	5.00	5/28/2025	2/15/2045	16,490,000	16,490,000	340,000
2024 Certificates	3.00 - 5.00	5/24/2024	2/15/2044	13,740,000	13,445,000	465,000
2023 Certificates	5.00	5/24/2023	2/15/2043	13,495,000	12,740,000	480,000
2022 Certificates	4.00	5/25/2022	2/15/2042	12,490,000	10,995,000	580,000
2021 Certificates	2.00 - 4.00	5/26/2021	2/15/2041	13,015,000	10,900,000	600,000
2020 Certificates	4.00-5.00	2/26/2020	2/15/2040	7,920,000	6,335,000	400,000
2019 Certificates	3.00 - 5.00	4/25/2019	2/15/2039	8,240,000	6,280,000	385,000
2018 Certificates	3.125 - 5.00	4/25/2018	2/15/2038	5,940,000	4,075,000	330,000
2017 Certificates	2.00 - 5.00	5/04/2017	2/15/2037	4,440,000	2,830,000	245,000
2016 Certificates	2.00 - 4.00	4/15/2016	2/15/2036	1,900,000	1,055,000	120,000
2015A Certificates	2.00 - 5.00	3/15/2015	2/15/2035	2,305,000	1,385,000	120,000
2013 Certificates	1.50 - 4.00	3/15/2013	2/15/2033	3,025,000	1,420,000	160,000
Total water and sewer certificates of obligation					87,950,000	4,225,000
Total water and sewer general obligation refunding bonds and certificates of obligation					93,565,000	5,885,000
Solid Waste:						
Certificates of Obligations						
2025 Certificates	5.00	5/28/2025	2/15/2045	1,775,000	1,775,000	170,000
2024 Certificates	3.00 - 5.00	5/22/2024	2/15/2044	1,555,000	1,405,000	175,000
2023 Certificates	5.00	5/24/2023	2/15/2043	1,930,000	1,535,000	225,000
2022 Certificates	4.00	5/25/2022	2/15/2042	1,175,000	780,000	145,000
2021 Certificates	2.00 - 4.00	5/26/2021	2/15/2041	1,060,000	575,000	135,000
2020 Certificates	4.00 - 5.00	2/26/2020	2/15/2028	720,000	310,000	95,000
2019 Certificates	3.00 - 5.00	4/25/2019	2/15/2039	1,335,000	380,000	185,000
2018 Certificates	4.00 - 5.00	4/25/2018	2/15/2026	1,240,000	185,000	185,000
Total solid waste certificates of obligation					6,945,000	1,315,000
Total solid waste general obligation refunding bonds and certificates of obligation					6,945,000	1,315,000
Add unamortized premium					8,628,807	801,106
Less: unamortized discount					(7,882)	(1,135)
Total business-type general obligation refunding bonds and certificates of obligation					$ 109,130,925	$ 7,999,971

Debt Service Requirements

Debt service requirements at September 30, 2025 for General Obligation Bonds and Certificates of Obligation are as follows:

	Governmental Activities				Business-type Activities	
	Bonds		Bonds Direct Borrowing		Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
Year ending September 30:						
2026	$ 36,250,000	$ 15,459,511	$ -	$ 54,089	$ 7,200,000	$ 4,321,663
2027	30,950,000	13,081,909	295,000	66,938	7,185,000	3,791,129
2028	26,930,000	11,693,340	310,000	51,450	6,930,000	3,467,294
2029	20,620,000	10,581,199	325,000	35,174	6,840,000	3,166,924
2030	21,535,000	9,643,150	345,000	18,113	6,615,000	2,882,360
2031-2035	91,875,000	37,052,178	-	-	29,360,000	10,667,136
2036-2040	84,920,000	18,420,984	-	-	23,150,000	5,367,147
2041-2045	44,050,000	4,194,939	-	-	13,230,000	1,307,825
Totals	$ 357,130,000	$120,127,210	$ 1,275,000	$ 225,764	$ 100,510,000	$ 34,971,478

General Obligation Bonds

General Obligation bonds are secured by ad valorem taxes levied by the City. As part of the City's debt management practices, the City defeases certain debt issues and places the proceeds in an irrevocable trust for all future debt service payments on the previously issued bonds. Accordingly, the related trust assets and liabilities for the defeased bonds are not included in the City's financial statements. At September 30, 2025 there were no defeased bonds outstanding.

On May 28, 2025, the City issued $61,310,000 of General Obligation Bonds, Series 2025 with a true interest cost of 4.14%. The proceeds from the sale of the Bonds will be used for (i) acquiring, constructing, improving and maintaining streets, thoroughfares and alleyways within the City, traffic signalization and signage and traffic management equipment; (ii) constructing, improving, renovating, expanding and equipping municipal public buildings, (iii) designing, acquiring, constructing, renovating, improving, and equipping the City parks (including passive parks and open space improvements), and acquiring lands, interests in lands, and rights-of-way related thereto, and (iv) paying the costs of issuance in connection with issuing the Bonds.

Certificates of Obligation

Certificates of Obligation are secured by ad valorem taxes levied by the City and from a limited pledge of the net revenues of the City's Waterworks and Sewer System. On May 28, 2025, the City issued Series 2025A and 2025B for a total of $26,670,000 of Combination Tax and Revenue Certificates of Obligation. Series 2025A for $20,575,000 with a true interest cost of 4.19% ($2,310,000 for fire equipment, $16,490,000 for Water/Sewer, and $1,775,000 for Solid Waste). Proceeds from the sale of the Series 2025A Certificates will be used for (i) acquiring vehicles and equipment for the fire and solid waste departments and (ii) improving and extending the City’s water and sewer system. Proceeds from the sale of Series 2025B for $6,095,000 with a true interest cost of 5.47% will be used for constructing, improving, renovation and equipping the City's municipal golf course.

General Obligations and Certificates of Obligation - Direct Borrowings

The City’s outstanding General Obligation Bonds and Certificates of Obligation from direct borrowings related to governmental activities of $1,275,000 are balloon instruments with the entire principal due on the final maturity date. They are subject to optional redemption in whole or in part, at the City’s discretion, on any date at the redemption price of par plus accrued interest to the date of redemption. Amortization shown in the preceding table is based on the City’s current debt issuance plan and all payments made to date.

Tax Anticipation Note - Direct Borrowing

On May 26, 2021 the City issued a $5,855,000 Tax Anticipation Note (Taxable) with a true interest cost of 1.15%. The Note was issued for the benefit of the Capital Fund to provide proceeds for constructing and equipping a parking facility for the City's performing arts center. The Note was set to mature on February 15, 2028 and has stated maturities over the life of the note, with the majority of the principal due at final maturity. Similar to the City's direct borrowings, the Note is subject to redemption prior to maturity, at the option of the City, in whole or in part, on February 15, 2023, or any day thereafter at the redemption price of par plus accrued interest to the date of redemption. The Note was redeemed during the Fiscal Year 2025.

Ratings

Standard and Poor's Ratings Services assigned its "AAA" rating with a stable outlook, to the City's Combination Tax and Revenue Certificates of Obligation Series 2025 and the City's General Obligation Bonds Series 2025. Moody's Investors Service (Moody's) also assigned it "AAA" rating, with a stable outlook to each of these issues.

Bondholder Remedies

In an event of default in connection with (i) failure to make payment of the principal of or interest on any of the bonds when due and payable or (ii) the performance or observance of any other covenants, conditions or obligations in the Ordinance, the Holder of any of the City's bonded debt shall be entitled to a writ of mandamus issued by a court of proper jurisdiction against the governing body of the City and other officers of the City to observe and perform any covenant, condition or obligation prescribed in the Ordinance. The City's bonded debt does not contain any acceleration provisions in the event of default or termination.

Workers' Compensation, Post-Employment Benefits, and Arbitrage Rebate Liability

Governmental-type activities record liabilities for workers' compensation claims, retiree post-employment costs, and arbitrage rebate at the government-wide statement level. Generally, the liabilities for workers' compensation claims, and retiree postemployment costs are paid from the General Fund. Liabilities for the Business-type activities are recorded and liquidated in the fund that incurs the liability.

Compensated Absences

The City's policy allows employees to accumulate unused sick leave on an unlimited basis and vacation up to 160 hours. Employees can apply for an exception with City Manager's Office's approval to carry a vacation balance greater than 160 hours. City employees that worked during the holidays may accrue holiday time and carry over the holiday time for usage at a later time. Upon termination, employees are paid for accumulated leave as follows:

Vacation Leave:

- Employees who have completed two years of service will be paid vacation leave as follows:
    - Employees employed 2-4 years are paid up to 80 hours of vacation leave
    - Employees employed 5-15 years are paid up to 120 hours of vacation leave
    - Employees employed greater than 15 years are paid up to 160 hours of vacation leave
    - Any vacation leave to be paid out beyond the 160 hours balance must be approved by City Manager

Sick Leave:

- Employees who have completed 1 year of service will be paid sick leave as follows:
    - Terminations are paid up to 176 hours of sick leave
    - Retiring employees are paid up to 720 hours of sick leave

Holiday Leave:

- Employees earn 1 floating holiday each calendar year and must use in that calendar year, or they lose it
- Employees working on holidays earn holiday pay. There is no limit on holiday pay accrued and they do not expire.

10. Direct Financed Purchases and Other Contractual Obligations

The following is a summary of other contractual obligation transactions of the City for the fiscal year ended September 30, 2025:

	Governmental-type Activities					
	Stryker	Utility Vehicle	Gas Golf Carts	Police Academy	Texas Comptroller of Public Accounts	Total
Balance at October 1, 2024	$ 734,623	$ 23,078	$ 162,027	$ 15,463	$ 182,474	$ 1,117,665
Additions/adjustments	-	70,978	-	-	-	70,978
Payments	(235,183)	(39,382)	(21,967)	(15,463)	(112,812)	(424,807)
Balance at September 30, 2025	$ 499,440	$ 54,674	$ 140,060	$ -	$ 69,662	$ 763,836

Financed Purchases

The City has entered into the following financed purchases:

Agreement with Stryker in July 2020, amended in August 2022, for fire/EMT equipment. The final annual payment of $265,069 is scheduled to be made in October 2027. The cost of the asset is $1,110,646. Accumulated depreciation is $745,171 and the related book value is $365,475 at September 30, 2025.

Agreement with GM Financial in July 2025, for a utility vehicle. The final annual payment of $16,304 is scheduled to be made in July 2029. The cost of the asset is $70,978. Accumulated depreciation is $7,098 and the related book value is $63,881 at September 30, 2025.

Agreement with Yamaha in January 2022, for gas golf carts. Annual payments of $28,320 with a final balloon payment of $107,712 scheduled for March 2027. The cost of the asset is $214,710 per agreement. Accumulated depreciation is $165,506 and the related book value is $49,204 at September 30, 2025.

The following is a schedule of the payments required under financed purchases at September 30, 2025:

Fiscal year ending, September 30	Stryker	Utility Vehicle	Gas Golf Carts
2026	$ 265,069	$ 16,304	$ 28,320
2027	265,069	16,304	119,512
2028		16,304	
2029		16,304	
Total minimum lease payments	530,138	65,216	147,832
Less amount representing interest	(30,698)	(10,542)	(7,772)
Present value of minimum lease payments	$ 499,440	$ 54,674	$ 140,060

Other Obligations

During FY 2009 the Texas Comptroller of Public Accounts notified the City regarding an error in sales tax payments made to the City. This error was the result of a local business reporting and paying taxes incorrectly to the State Comptroller from January 1998 through December 2005. The local sales tax overpayment to the City in the amount of $2,143,331 was recorded as a liability and a reduction of sales tax revenue. The Comptroller's office had set up a 20-year payout arrangement, but the life of the obligation has been reduced by additional payments and adjusted due to the Comptroller suspending payments from April 2020 through January 2021 to help Texas cities deal with the COVID-19 pandemic and potential negative impacts on the economy. Payments of $112,812 were made during the fiscal year, and the balance at September 30, 2025 was $69,662.

11. Lease Obligations

The City has entered into multiple lease agreements as lessee. The leases allow the right-to-use of buildings, land, vehicles, and equipment over the term of the lease. The City is required to make periodic principal and interest payments using either its incremental borrowing rate or the interest rate stated/implied within the leases. Effective October 1, 2021, the City implemented GASB Statement No. 87, Leases. At implementation of this statement and the commencement of leases beginning after October 1, 2021, the City initially measured the lease liability at the present value of payments expected to be made during the remaining lease term. The lease rate, term and ending lease liability are as follows:

	Governmental Activities			
	Interest Rate %	Beginning Balance	Lease Term in Months	Ending Balance
Electric golf carts	0.298-6.16	$ 461,525	31-61	$ 353,776
Buildings	2.36-2.33	3,102,283	60-60	2,339,837
Internal service funds:				
Postal equipment	2.186	21,126	60	13,589
Copiers	0.193-0.298	167,061	60	126,043
Total governmental activities		$ 3,751,995		$ 2,833,245

	Business Type Activities			
	Interest Rate %	Beginning Balance	Lease Term in Months	Ending Balance
UTD Land	2.43	$ 57,411	24	$ -
Computer equipment	0.298	2,286	29	-
Buildings	2.33	93,682	60	75,190
Total busines type activities		$ 153,379		$ 75,190

The future principal and interest payments as of September 30, 2025, were as follows:

	Governmental Activities		
Fiscal Year	**Principal Payments**	**Interest Payments**	**Total Payments**
2026	$ 1,265,516	$ 70,413	$ 1,335,929
2027	1,342,374	31,134	1,373,508
2028	182,459	5,776	188,235
2029	42,896	1,043	43,939
Total	$ 2,833,245	$ 108,366	$ 2,941,611

	Business Type Activities		
Fiscal Year	**Principal Payments**	**Interest Payments**	**Total Payments**
2026	$ 17,295	$ 1,753	$ 19,048
2027	18,271	1,350	19,621
2028	19,284	924	20,208
2029	20,340	474	20,814
Total	$ 75,190	$ 4,501	$ 79,691

12. Subscription-Based Information Technology Arrangements

The City has entered into multiple Subscription-Based Information Technology Arrangements ("SBITA") as lessee. The SBITAs allow the right-to-use of subscription-based software over the term of the lease. The City is required to make periodic principal and interest payments using either its incremental borrowing rate or the interest rate stated/implied within the SBITAs. The City initially measures the SBITA liability at the present value of payments expected to be made during the remaining SBITA term. The SBITA rate, term and ending SBITA liability are as follows:

	Governmental Activities		
	Interest Rate %	**Liability at Commencement**	**Ending Balance**
Governmental Activities:			
Axon Enterprise	2.33	$ 4,630,563	$ 3,503,827
Flock Safety	2.33	269,762	131,396
Microsoft - SHI	3.59	1,419,510	472,974
Internal Service Funds			
Tyler Technologies	3.12	5,645,202	3,796,789
NetSync - DUO	2.89	1,339,028	1,055,777
Total		$ 13,304,065	$ 8,960,763

	Business Type Activities		
	Interest Rate %	**Liability at Commencement**	**Ending Balance**
Environmental Systems Research Institute	3.59	$ 246,263	$ 82,053
Total		$ 246,263	$ 82,053

The future principal and interest payments as of September 30, 2025, were as follows:

	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2026	$ 2,545,072	$ 250,686	$ 2,795,758
2027	2,264,699	176,843	2,441,542
2028	1,892,705	115,232	2,007,937
2029	2,258,287	62,017	2,320,304
Total	$ 8,960,763	$ 604,778	$ 9,565,541

	Business Type Activities		
	Principal Payments	Interest Payments	Total Payments
2026	$ 82,053	$ 2,947	$ 85,000
Total	$ 82,053	$ 2,947	$ 85,000

13. Tax Increment Financing Obligations

The City has established three Tax Increment Financing ("TIF") districts to facilitate new development and redevelopment within the community. Each district has a base year, and incremental property tax revenues exceeding the base year amount are collected into a special revenue fund. Additionally, other taxing entities may participate in the TIF districts. Each participating entity's governing body sets the percentage of increment and terms that they will contribute to the TIF fund.

The City Council, upon recommendation of the Council-appointed TIF Board for each district, can enter into economic grant agreements with developers which utilize TIF funds. Unlike other contractual obligations, TIF grants are subject to availability of TIF funds, and any balance owed to a developer at the termination of the TIF district will no longer be considered an obligation of the City.

The following table summarizes key statistics of each of the City's TIF districts.

	DISTRICT		
	1	2	3
Tax Year Established	2006	2011	2011
City's Participation	100%	66.67%	66.67%
Other Tax Entities Participating	Dallas County 65%	Collin County 50%	Collin County 50%
Tax Year Terminates	2031	2036	2036

An infrastructure reimbursement grant and development agreement was entered into with the City and Centennial Park Richardson, Ltd. in September 2007. This agreement provides for an economic development grant of $3,299,865 and a construction reimbursement grant of $5,912,299 plus 7% interest compounded annually until paid in full or termination of the agreement. The company has qualified for both grants. Funding for this grant is contingent upon the availability of tax revenues in the TIF District #1 from Sub Area No. 2. The City has previously paid the economic development grant in full. Any remaining balance is related to the construction reimbursement grant. An interest payment of $929,171 was made during the fiscal year.

An infrastructure reimbursement grant and development agreement was entered into with the City and Bush/75 Partners, LP in December 2012. The Agreement was subsequently assigned to BCS TIF Zone Two, LP, the ultimate developer for the project. The agreement provides for the reimbursement of infrastructure projects with an estimated value of $76,336,000 plus 5% interest annually until paid in full or termination of the agreement. The company has qualified for grants of $57,084,738 to date. Funding is contingent upon the availability of tax revenues in TIF District #2. Interest payments of $1,669,693 and a principal payment of $3,579,855 were made during the fiscal year.

An infrastructure reimbursement grant and development agreement was entered into with the City and BC Station Partners, L.P. in March 2015. This agreement provides for approximately $49,158,000 plus 5% interest annually until paid in full or termination of the agreement. The company has qualified for grants of $33,880,733 to date. Funding is contingent upon the availability of tax revenues in TIF District #3. An interest payment of $1,065,001 was made during the fiscal year.

An economic development agreement was entered into with the City and AGF Greenville II, Ltd. in April 2015. This agreement provides for a maximum grant amount of $5,500,000 plus 4% interest annually until paid in full or termination of the agreement. The agreement provides for the reimbursement of eligible costs for the acquisition of the land and demolition of existing improvements on the land. The company has qualified for the full amount of the grant. Funding is contingent upon the availability of tax revenues in the TIF District #1 from Sub Area No. 1B and Sub Area No. 4. An interest payment of $151,556 and a principal payment of $338,946 were made during the fiscal year.

An economic development agreement was entered into with the City and SAF 100 N. Central Ltd in March 2017. The Agreement was subsequently assigned to Richardson Gateway, LLC. This agreement provides for a maximum grant amount of $7,000,000 plus 5.25% interest annually until paid in full or termination of the agreement. The agreement provides for the reimbursement of eligible costs for the acquisition of the land and demolition of existing improvements on the land. The company has qualified for the full amount of the grant. Funding is contingent upon the availability of tax revenues in TIF District #1 from Sub Area No. 1A and Sub No. 1B. An interest payment of $289,010 and a principal payment of $132,897 were made during the fiscal year.

The following is a summary of the principal balance of the infrastructure reimbursement grants and development agreements associated with the Tax Increment Financing Districts:

	TIF DISTRICT 1			TIF DISTRICT 2	TIF DISTRICT 3	
	Centennial Park	AGF Greenville II, Ltd.	Richardson Gateway LLC	BCS TIF Zone 2	BC Station Partners, LP	Total
Balance at October 1, 2024	$ 5,912,299	$ 3,766,722	$ 5,504,928	$ 33,393,862	$ 33,880,733	$ 82,458,544
Additions/adjustments	-	(338,946)	(132,897)	(3,579,855)	-	(4,051,698)
Balance at September 30, 2025	$ 5,912,299	$ 3,427,776	$ 5,372,031	$ 29,814,007	$ 33,880,733	$ 78,406,846

14. Risk Management

The City maintains a self-insured program for workers' compensation. The City utilizes TRISTAR Risk Management as the third party administrator for this program. During fiscal year 2024-2025, a total of $58,957 was paid in administrative costs that were recorded as an expenditure/expense in the General Fund, Proprietary Funds and Central Services Fund. In addition, claims and benefits paid in the amounts of $740,701 and $408,307 have been recorded as expenditures/expenses in the Governmental Funds and Proprietary Funds, respectively.

The City also maintains a self-insured medical program known as "CORPlan" which is accounted for as an Internal Service Fund. This program provides participants with health benefit coverage. The City purchases commercial insurance for claims in excess of $350,000 for each employee in a plan year. In fiscal year 2024-2025, the City did not receive any refunds from the commercial insurance carrier.

All funds with full-time employees participate in the program and make payments to the Insurance Fund based on estimates of the amounts needed to pay prior and current year claims. Accounting standards require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and that the amount of the loss can be reasonably estimated. The City's consultant estimated the liability to be $1,287,394 for unpaid claims and claim adjustment expenses at September 30, 2025. The liability for unpaid claims includes the effects of specific incremental claims, adjustment expenses, and if probable and material, salvage and subrogation. The City

currently does not discount its unpaid claims liabilities.

Reconciliation of Unpaid Claims Liabilities

	2025	2024
Incurred claims and claim adjustment expenses:		
Unpaid claims and claim adjustment expenses at beginning of year	$ 1,104,705	$ 977,591
Incurred claims and claim adjustment expenses:		
Provision for insured events of the current year	18,274,362	15,832,525
Increase (decrease) in prior year provision	56,583	(411,036)
Total incurred claims and claim adjustment expenses	19,435,650	16,399,080
Payments:		
Claims and claim adjustment expenses attributable to insured events of the current year	16,986,968	14,727,820
Claims and claim adjustment expenses attributable to insured events of prior years	1,161,288	566,555
Total payments	18,148,256	15,294,375
Total unpaid claims and claim adjustment expenses at end of year	$ 1,287,394	$ 1,104,705

15. Interfund Charges

The City allocates a percentage of the salaries and wages and related costs of personnel who perform general and administrative services for various funds but are paid from the General Fund. During the year ended September 30, 2025, the City allocated $11,786,360 for such services.

16. Tax Abatement and Economic Incentives

The City enters into economic development agreements designed to promote development and redevelopment within the City, spur economic improvement, stimulate commercial activity, generate additional sales tax and enhance the property tax base and economic vitality of the City. These programs abate or rebate property taxes and sales tax, and also include incentive payments and reductions in fees that are not tied to taxes. The City's economic development agreements are authorized under Chapter 380 of the Texas Local Government Code, Chapter 311 (Tax Increment Financing Act), and 312 (Property Redevelopment and Tax Abatement Act) of the Texas Tax Code. Recipients may be eligible to receive economic assistance based on the employment impact, economic impact or community impact of the project requesting assistance. Recipients receiving assistance generally commit to building or remodeling real property and related infrastructure, demolishing and redeveloping outdated properties, expanding operations, renewing facility leases, or bringing targeted businesses to the City. Agreements generally contain recapture provisions which may require repayment or termination if recipients do not meet the required provisions of the economic incentives.

The City has four categories of economic development agreements:

- ***Home Improvement Incentive Program*:** The purpose of this program is to provide an economic incentive under Chapter 380 of the Texas Local Government Code to encourage reinvestment in residential neighborhoods. The property owner commits to making at least $20,000 in improvements to the residential property within 24 months of entering into the agreement. A one-time incentive payment equal to 10 times the amount of the increase in City taxes will be paid to the property owner based on the property's pre-construction and post-construction appraised value. The City provided $1,870,317 in incentive payments under this program in fiscal year 2025.

- ***Tax Abatements*:** Tax Abatements under Chapter 312 of the Texas Tax Code allow the City to designate tax reinvestment zones and negotiate tax abatement agreements with applicants. These abatement agreements authorize the appraisal districts to reduce the assessed value of the taxpayer's property by a percentage specified in the agreement, and the taxpayer will pay taxes on the lower assessed value during the term of the agreement. Property taxes abated under this program were $12,385,237 in fiscal year 2025.

- ***General Economic Development*:** The City enters into various agreements under Chapter 380 of the Texas Local Government

Code to stimulate economic development. Agreements may rebate a flat amount or percentage of property taxes or sales tax received by the City, may result in fee reductions such as utility charges or building inspection fees, or make lump sum payments to offset moving expenses, tenant finish-outs, demolition costs, infrastructure reimbursements, redevelopment costs or other expenses. For fiscal year 2025, the City rebated $2,585,649 in taxes, reduced fees by $15,490,447 and made incentive payments of $2,250,282 under these agreements.

- ***Tax Increment Financing*:** The City has adopted three Tax Increment Financing zones (TIFs) under Chapter 311 of the Texas Tax Code. The City enters into economic development and infrastructure reimbursement agreements which earmark TIF revenues for payment to developers and represent obligations over the life of the TIF or until all terms of the agreements have been met. These obligations are more fully described in Note 13. Additionally, the City enters into general economic development agreements under Chapter 380 of the Texas Local Government Code which are funded with TIF resources. The City made $8,156,129 in payments for TIF obligations, and $3,825,000 in TIF incentives, from general TIF resources.

17. Contingent Liabilities

Litigation

As of September 30, 2025 and through the date of the report, the City has not been involved in any pending or threatened litigation, claims, or assessments.

Grant Audit

The City receives federal and state grants for specific purposes that are subject to review and audit by federal and state agencies. Such audits could result in a request for reimbursement by the federal and state agencies for expenditures disallowed under the terms and conditions of the grant agreements of the appropriate agency. In the opinion of the City management, such disallowance, if any, will not be significant to the City's financial statements.

18. Other Postemployment Benefits (OPEB)

Retiree Health Benefits

Plan Description

The City of Richardson single-employer, defined benefit OPEB plan, CORPlan, is administered by the City and provides health-care benefits, in accordance with City policy. All employees who are vested in the City's pension plan, Texas Municipal Retirement System, are eligible for these benefits with 20 years or more of service, regardless of age, or with 5 years of service at age 60 and above. Coverage is also available to dependents or surviving spouses of retirees. Coverage for retirees age 65 and over is provided through a separate, fully insured plan. The City subsidizes medical, dental, and hospitalization costs incurred by retirees and their dependents. Recommendations for plan benefits are presented to City Council for their approval during the annual budget process. The plan is accounted for in the City's Insurance fund as well as the Water and Sewer, Solid Waste, and Central Services funds. A separate financial statement is not issued for the plan. As of September 30, 2025 there are no plan assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Employees covered by benefit terms

At the December 31, 2024 measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	319
Active employees	1,009
	1,328

Contributions

Effective January 1, 2014, the City provides a $200 per month, post-65 subsidy to retirees with 20 or more years of City service. This amount is capped at that level by council action. Sample contribution rates under the City's health plans for retirees under age 65 and their dependents are based on the length of service of the retiree as shown below.

	"Green Plan" - HDHP (w/HSA)		
Years of service	Under 15	15 - 19	20+
Retiree only	$ 922	$ 734	$ 423
Retiree/spouse	1,844	1,470	839
Surviving spouse	922	735	416
Retiree/family	2,535	1,969	982

	"Red Plan" - Traditional PPO		
Years of service	Under 15	15 - 19	20+
Retiree only	$ 1,096	$ 909	$ 527
Retiree/spouse	2,192	1,757	1,021
Surviving spouse	1,096	848	494
Retiree/family	3,013	2,346	1,193

Total OPEB Liability

The City's Total OPEB Liability was determined by an actuarial valuation performed on December 31, 2023 and the measurement date of December 31, 2024.

Actuarial assumptions

Actuarial valuations involve the use of estimates and assumptions about the probability of events far into the future, including, but not limited to, assumptions about length of employee service, mortality rates, and future costs of healthcare. The valuation will be updated at least every two years and actual results will be compared with past expectations. As a result of these comparisons, new estimates and assumptions will be made about future results of the plan. Valuations are made based on the benefits in place at the time of the valuation. Any changes in the benefits offered or the contribution rates would impact future valuations. The demographic assumptions are based on the assumptions that were developed for the defined benefit pension plan in which the City participates, the Texas Municipal Retirement System (TMRS). Actuarial techniques include smoothing mechanisms that take a long-term approach in the valuation of assets and liabilities of the plan and are designed to reduce short-term volatility in the measurement of these assets and liabilities.

The actuarial assumptions used to value the liabilities are summarized below:

Actuarial Cost Method	Individual Entry-Age Normal
Discount Rate	4.08% as of December 31, 2024
Inflation	2.50%
Salary Increases	3.60% - 11.85%
Health Care Trend Rate	7.50%, declining to 4.25% after 15 years

Participation rate assumptions for retirees who choose to receive health care benefits is based on years of City service. The election rate for retirees with less than 15 years of service or retiring before age 50 is 15%, and from 15 to 19 years of service and retiring after age 50 the election rate is 30%. For retirees with 20 years or greater of service and retiring after age 50 the election rate is 65%.

Demographic assumptions are based on the 2023 experience study conducted by TMRS. Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP tables published through 2019 to account for future mortality improvements.

Discount Rate

The discount rate used to measure the Total OPEB Liability was 4.08%. The discount rate should equal the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. For the purpose of this valuation, the municipal bond rate is 4.08% (based on the daily rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index").

The discount rate was 3.77% as of the prior measurement date.

Sensitivity of the Discount Rate and the Health Care Cost Trend Rate

The following table presents the sensitivity of the Total OPEB Liability to changes in the discount rate when calculating it at 1-percentage-point-lower (3.08%) and 1-percentage-point-higher (5.08%).

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

1% Decrease 3.08%	Current Single Rate Assumption 4.08%	1% Increase 5.08%
$ 43,553,342	$ 39,571,018	$ 36,038,888

The following table presents the sensitivity of the Total OPEB Liability to changes in the health care trend rate when calculating it at 1-percentage-point-lower (6.50%) and 1-percentage-point-higher (8.50%).

Sensitivity of the Total OPEB Liability to Changes in the Health Care Trend Rate

1% Decrease 6.50%	Current Single Rate Assumption 7.50%	1% Increase 8.50%
$ 36,355,104	$ 39,571,018	$ 43,380,921

Schedule of Changes in Total OPEB Liability

	Total OPEB Liability
Beginning balances	$ 49,992,789
Changes for the year:	
Service cost	2,409,402
Interest on the Total OPEB Liability	1,891,782
Differences between expected and actual experience	(10,969,113)
Changes in assumptions	(1,718,654)
Benefit payments	(2,035,188)
Net changes	(10,421,771)
Ending balance	$ 39,571,018

OPEB Expense and Deferred Outflows/(Inflows) of Resources

For the year ended September 30, 2025, the City recognized $1,713,503 for OPEB expense. Deferred outflows of resources and deferred inflows of resources related to OPEB are from the below sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 495,288	$ (12,519,612)
Changes of assumptions	1,766,904	(8,134,776)
Contributions subsequent to the measurement date	1,399,181	-
Total	$ 3,661,373	$ (20,654,388)

Of the $3,661,373 total for deferred outflows of resources, $1,399,181 from City contributions made subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the fiscal year ending 9/30/2026. The remainder of the total net deferred outflows/inflows of resources, $(18,392,196) will be recognized in OPEB expense as follows:

Fiscal Year	Net Deferred outflows (inflows) of resources
2026	$ (2,965,356)
2027	(3,055,670)
2028	(3,410,458)
2029	(3,669,788)
2030	(2,439,898)
Thereafter	(2,851,026)
Total	$ (18,392,196)

COBRA Benefits

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits available to eligible former employees and eligible dependents. The federal government outlines certain requirements for this coverage. The premium plus a two percent administration fee is paid in full by the insured on or before the tenth (10th) day of the month for the actual month covered. This program is offered for 18 months after the employee's termination date. The City makes no contribution under this program. There were no participants in the program as of September 30, 2025.

19. Pension Benefits

Plan Description

The City of Richardson participates as one of 926 plans in the defined benefit cash-balance plan administered by the Texas Municipal Retirement System (TMRS). TMRS is a statewide public retirement plan created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees; however, TMRS is not fiscally dependent on the State of Texas. TMRS issues a publicly available Annual Comprehensive Financial Report (Annual Report) that can be obtained at www.tmrs.com.

All eligible employees of the city are required to participate in TMRS.

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit options are adopted by the governing body of the city, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payments options. Members may also choose to receive a portion of the employee's contributions as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

Plan provisions for the City are as follows:

Employee deposit rate	7% of Earnings
City matching rate	200%
Vesting period	5 Years
Retirement years (age/years of service)	60/5, Any/20
Updated service credit	50% (Repeating)
Annuity increase (to retirees)	50% of the change in CPI (Repeating)

Additional information related to the TMRS Plan is located in the TMRS ACFR.

tmrs.com/uploads/files/general/down/pubs/ACFR_2023/ACFR_2024.pdf.

Employees covered by benefit terms

At the December 31, 2024 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	983
Inactive employees entitled to but not yet receiving benefits	632
Active employees	1,006
Total	2,621

Contributions

The contribution rates for employees in TMRS are either 5%, 6% or 7% of employee gross earnings, and the city matching percentages are either 100%, 150% or 200%, both as adopted by the governing body of the city. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amounts necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City of Richardson were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City of Richardson were 16.25% and 15.45% in calendar years 2024 and 2025, respectively. The City's contributions to TMRS for the year ended September 30, 2025, were $15,057,590 which matched the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2024, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The Total Pension Liability in the December 31, 2024 actuarial valuation was determined using the following assumptions:

Inflation	2.50% per year
Overall payroll growth	3.6% to 11.85% including inflation
Investment Rate of Return	6.75% net of pension plan investment expense, including inflation

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with 110% of the Public Safety table used for males and 100% of the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by the most recent Scale MP-2021 to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by the most recent Scale MP2021 to account for future mortality improvements subject to the 3% floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2018 to December 31, 2022. The assumptions were adopted in 2023 and first used in the December 31, 2023, actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)*
Global Public Equity	35.00 %	7.10
Core Fixed Income	6.00	5.00
Non-Core Fixed Income	6.00	6.80
Private Markets	4.00	7.30
Real Estate	12.00	6.70
Hedge Funds	5.00	6.40
Private Equity	13.00	8.50
Private Debt	13.00	8.20
Infrastructure	6.00	6.00
Total	100.00 %	

*Net of inflation assumption.

Discount Rate

The discount rate used to measure the Total Pension Liability (Asset) was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute, and was projected over a period of 100 years. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Sensitivity of Discount Rate

The following table presents the sensitivity of the Net Pension Liability (Asset) to changes in the discount rate when calculating it at 1-percentage-point-lower (5.75%) and 1-percentage-point-higher (7.75%).

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate		
1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
$119,151,119	$33,699,238	$(37,508,996)

Pension Plan Fiduciary Net Position

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of TMRS (including additions to/deductions from the TMRS's Fiduciary Net Position) have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. The Pension Plan Trust Fund is maintained on the accrual basis of accounting. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained at www.tmrs.com.

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
Current Period

	Increase / (Decrease)
Total pension liability:	
Service Cost	$ 15,225,450
Interest (on the Total Pension Liability)	43,868,564
Difference between expected and actual experience	5,606,019
Benefit payments, including refunds of employee contributions	(35,156,074)
Net Change in Total Pension Liability	29,543,959
Total Pension Liability - Beginning	659,869,967
Total Pension Liability - Ending (A)	$ 689,413,926
Plan Fiduciary Net Position:	
Contributions - Employer	15,570,395
Contributions - Employee	6,707,247
Net Investment Income	62,845,566
Benefit payments, including refunds of employee contributions	(35,156,074)
Administrative expense	(403,933)
Other	(9,447)
Net Change in Plan Fiduciary Net Position	49,553,754
Plan Fiduciary Net Position - Beginning	606,160,934
Plan Fiduciary Net Position - Ending (B)	$ 655,714,688
Net Pension Liability (Asset) - Ending (A-B)	$ 33,699,238
Plan Fiduciary Net Position as Percentage of Total Pension Liability (Asset)	95.11 %
Covered Payroll	95,817,808
Net Pension Liability (Asset) as a Percentage of Covered Payroll	35.17 %

*FNP may be off a dollar due to rounding

The net pension liability (asset) and the total pension liability were calculated by Gabriel, Roeder, Smith & Company ("GRS"). The measurement date and the actuarial valuation date was December 31, 2024.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended September 30, 2025, the City recognized pension expense of $15,213,431. Deferred outflows of resources and deferred inflows of resources related to pensions are from the below sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 7,121,637	$ -
Net difference between projected and actual earnings on pension plan investments	-	5,887,198
Difference in assumptions	-	2,507,587
Employers' Contributions to the pension plan subsequent to the measurement date	11,325,945	-
Total	$ 18,447,582	$ 8,394,785

Of the $18,447,582 total for deferred outflows of resources, $11,325,945 from City contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending 9/30/2026. The remainder of the total net deferred outflows/inflows of resources, $(1,273,148), related to pensions will be recognized in pension expense as follows:

Fiscal Year	Net deferred outflows (inflows) of resources
2026	$ 2,888,164
2027	8,660,663
2028	(8,436,036)
2029	(4,385,939)
Total	$ (1,273,148)

REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF RICHARDSON, TEXAS

Required Supplementary Information
Budgetary Comparison Schedule - General Fund
For the Fiscal Year Ended September 30, 2025

	Budgeted Amounts		Actual GAAP	Adjustments	Actual Budget	Variance with Final Budget-Positive
	Original	Final	Basis	Budget Basis	Basis	(Negative)
Revenues						
Property taxes	$ 77,773,089	$ 74,773,096	$ 72,813,227	$ 1,721,341	$ 74,534,568	$ (238,528)
Franchise fees	19,884,683	20,032,683	20,103,027	-	20,103,027	70,344
Sales tax	52,414,112	55,905,043	55,353,258	864,308	56,217,566	312,523
Mixed beverage and bingo tax	804,471	810,922	817,382	-	817,382	6,460
911 revenue	535,590	471,453	479,847	-	479,847	8,394
Intergovernmental revenue	100,639	421,188	491,940	-	491,940	70,752
Licenses and permits	3,130,433	3,348,983	3,841,170	-	3,841,170	492,187
Fines and forfeitures	1,690,258	1,577,610	1,735,684	(244,559)	1,491,125	(86,485)
Interest revenue	2,413,750	2,225,032	2,600,752	82,466	2,683,218	458,186
Recreation and leisure	4,303,399	4,279,634	4,465,971	-	4,465,971	186,337
Public safety	4,407,208	3,747,778	3,908,869	-	3,908,869	161,091
Other	778,460	2,074,827	1,906,389	-	1,906,389	(168,438)
General administration	11,786,360	11,786,360	11,786,360	-	11,786,360	-
Contributions	-	-	93,781	-	93,781	93,781
Total revenues	180,022,452	181,454,609	180,397,657	2,423,556	182,821,213	1,366,604
Expenditures						
Current:						
General government	40,969,100	41,613,955	37,439,687	2,606,999	40,046,686	1,567,269
Public safety	72,437,872	71,813,997	70,934,759	161,123	71,095,882	718,115
Public services	27,889,610	27,458,012	25,980,324	329,904	26,310,228	1,147,784
Library	3,953,337	4,034,760	3,899,895	-	3,899,895	134,865
Parks and recreation	16,671,390	16,904,540	14,283,773	15,695	14,299,468	2,605,072
Public health	2,434,228	2,553,533	2,409,154	-	2,409,154	144,379
Capital outlay	-	66,154	2,443,781	(2,381,453)	62,328	3,826
Debt service						
Interest and fiscal charges	-	-	39,154	(39,154)	-	-
Payments for other obligations	-	-	1,209,591	(1,209,591)	-	-
Total expenditures	164,355,537	164,444,951	158,640,118	(516,477)	158,123,641	6,321,310
Excess of revenues over expenditures	15,666,915	17,009,658	21,757,539	2,940,033	24,697,572	7,687,914
Other financing sources (uses)						
Transfers in	724,375	720,150	722,274	-	722,274	2,124
Transfers out	(15,990,507)	(18,001,507)	(24,282,507)	-	(24,282,507)	(6,281,000)
Proceeds from sale of capital assets	-	-	20,030	-	20,030	20,030
Insurance and other recoveries	-	-	180,858	-	180,858	180,858
Issuance of other obligations	-	-	2,600,368	(2,600,368)	-	-
Other financing uses - liability extinguishment	-	-	(218,915)	218,915	-	-
Total other financing sources (uses)	(15,266,132)	(17,281,357)	(20,977,892)	(2,381,453)	(23,359,345)	(6,077,988)
Net change in fund balance	400,783	(271,699)	779,647	558,580	1,338,227	1,609,926
Fund balances, October 1	44,556,956	46,175,232	46,175,232	(1,739,875)	44,435,357	(1,739,875)
Fund balances, September 30	$ 44,957,739	$ 45,903,533	$ 46,954,879	$ (1,181,295)	$ 45,773,584	$ (129,949)

CITY OF RICHARDSON, TEXAS
Budgetary Comparison Schedule - Hotel/Motel Tax Fund
For the Fiscal Year Ended September 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget- Positive
	Original	Final	Amounts	(Negative)
Revenues				
Hotel/motel taxes	$ 5,323,346	$ 4,927,436	$ 4,947,662	$ 20,226
Parking Fees	462,436	434,014	-	(434,014)
Eisemann center revenue	3,757,190	2,909,082	3,135,421	226,339
Interest revenue	276,316	227,394	517,978	290,584
Other	-	-	95,279	95,279
Total revenues	9,819,288	8,497,926	8,696,340	198,414
Expenditures				
General government	9,756,082	9,191,615	9,234,048	(42,433)
Capital outlay	-	362,594	170,491	192,103
Total expenditures	9,756,082	9,554,209	9,404,539	149,670
Net change in fund balance	63,206	(1,056,283)	(708,199)	348,084
Fund balances, October 1	5,415,668	5,502,172	5,502,172	-
Fund balances, September 30	$ 5,478,874	$ 4,445,889	$ 4,793,973	$ 348,084

CITY OF RICHARDSON, TEXAS
Required Supplementary Information
Year ended September 30, 2025

Schedule of Changes in Total OPEB Liability and Related Ratios
Last 10 Calendar Years*

	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB liability:								
Service cost	$ 2,409,402	$ 2,042,904	$ 3,023,443	$ 2,805,395	$ 2,513,572	$ 1,979,670	$ 1,981,275	$ 1,656,080
Interest (on the total OPEB liability)	1,891,782	1,985,132	1,140,456	1,176,485	1,445,329	1,871,002	1,568,415	1,640,160
Differences between expected and actual experience	(10,969,113)	459,860	(4,871,675)	(71,716)	(139,592)	(72,942)	1,906,943	105,618
Change of Assumptions	(1,718,654)	(1,203,505)	(9,563,999)	1,022,921	4,123,289	(173,959)	(660,122)	2,443,407
Benefit Payments, Including Refunds of Employee Contributions	(2,035,188)	(2,571,496)	(1,835,797)	(1,934,353)	(1,709,027)	(1,780,176)	(1,716,882)	(1,628,228)
Net change in total OPEB liability	(10,421,771)	712,895	(12,107,572)	2,998,732	6,233,571	1,823,595	3,079,629	4,217,037
Total OPEB liability - beginning	49,992,789	49,279,894	61,387,466	58,388,734	52,155,163	50,331,568	47,251,939	43,034,902
Total OPEB liability - ending	$ 39,571,018	$ 49,992,789	$ 49,279,894	$ 61,387,466	$ 58,388,734	$ 52,155,163	$ 50,331,568	$ 47,251,939
Covered employee payroll	95,817,814	87,080,321	77,454,305	76,826,799	75,577,640	76,353,079	73,564,399	70,946,642
Total OPEB liability as a percentage of covered employee payroll	41.30 %	57.41 %	63.62 %	79.90 %	77.26 %	68.31 %	68.42 %	66.60 %

Changes of Assumptions. Changes of assumptions and other inputs reflect the effects of changes in the discount rate in each period. The discount rate changed from 4.05% as of December 31, 2022 to 4.08% as of December 31, 2024.

*Note: The City implemented GASB 75 in FY 2018 with actuarial data as of December 31, 2017, therefore the required information for this schedule will be built over the next two calendar years.

As of September 30, 2025 there are no plan assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

CITY OF RICHARDSON, TEXAS
Required Supplementary Information
Year ended September 30, 2025

Schedule of Pension Contributions
Last 10 Fiscal Years*

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially Determined Contribution	$ 15,057,590	$ 15,387,086	$ 13,612,611	$ 11,114,342	$ 11,364,819	$ 11,036,813	$ 10,981,704	$ 10,828,353	$ 10,000,938	$ 8,960,805
Contributions in relation to the actuarially determined contribution	(15,057,590)	(15,387,086)	(13,071,266)	(11,655,687)	(11,490,448)	(12,704,395)	(11,146,767)	(10,828,353)	(10,000,938)	(8,960,805)
Contribution deficiency (excess)	$ -	$ -	$ 541,345	$ (541,345)	$ (125,629)	$ (1,667,582)	$ (165,063)	$ -	$ -	$ -
Covered payroll	$ 96,271,057	$ 94,689,755	$ 84,552,900	$ 77,964,464	$ 76,858,905	$ 75,768,351	$ 75,570,212	$ 72,840,621	$ 70,066,638	$ 67,329,906
Contributions as a percentage of covered payroll	15.64 %	16.25 %	16.10 %	14.26 %	14.79 %	14.57 %	14.53 %	14.87 %	14.27 %	13.31 %

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date	Actuarially determined contribution rates are calculated as of December 31 and become effective in January, thirteen months later.
Notes	
Methods and Assumptions Used to Determine Contribution Rates:	
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	21 years
Asset Valuation Method	10 Year smoothed market, 12% soft corridor
Inflation	2.50%
Salary Increases	3.60% to 11.85% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that vary by age. Last updated for the 2023 valuation pursuant to an experience study of the period ending 2022.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. Male rates are mulitiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis with scale MP-2021 (with immediate convergence). Pre-retirement: PUB(10) mortality tables, with the 110% Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale MP-2021 (with immediate convergence).
Other Information:	
Notes	There were no benefit changes during the year.

CITY OF RICHARDSON, TEXAS
Required Supplementary Information
Year ended September 30, 2025

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
Last 10 Calendar Years*

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability:										
Service cost	$ 15,225,450	$ 13,522,658	$ 11,995,305	$ 11,524,130	$ 11,321,609	$ 11,430,056	$ 11,005,234	$ 10,613,618	$ 10,202,479	$ 9,282,442
Interest (on the Total Pension Liability)	43,868,564	42,463,550	40,825,471	38,939,714	37,728,817	36,261,004	34,850,859	33,439,920	31,995,989	31,310,006
Changes of benefit terms	-	-	2,679,847	-	-	-	-	-	-	-
Differences between expected and actual experience	5,606,019	3,412,046	4,412,563	6,716,536	(2,342,984)	1,280,146	243,478	(313,905)	648,556	(1,241,285)
Change of assumptions	-	(5,040,505)	-	-	-	56,972	-	-	-	7,343,227
Benefit payments, including refunds of employee contributions	(35,156,074)	(33,632,176)	(33,826,183)	(30,491,141)	(27,247,853)	(27,209,284)	(23,632,610)	(22,432,659)	(20,889,414)	(19,961,687)
Net change in Total Pension Liability	29,543,959	20,725,573	26,087,003	26,689,239	19,459,589	21,818,894	22,466,961	21,306,974	21,957,610	26,732,703
Total Pension Liability - Beginning	659,869,967	639,144,394	613,057,391	586,368,152	567,208,565	545,389,671	522,922,710	501,615,736	479,358,126	452,625,423
Total Pension Liability - Ending (A)	$ 689,413,926	$ 659,869,967	$ 639,144,394	$ 613,057,391	$ 586,668,154	$ 567,208,565	$ 545,389,671	$ 522,922,710	$ 501,315,736	$ 479,358,126
Plan fiduciary Net Position										
Contributions - Employer	$ 15,570,395	$ 13,660,299	$ 11,656,337	$ 11,485,650	$ 12,568,995	$ 11,399,536	$ 10,887,470	$ 10,342,735	$ 9,073,163	$ 9,067,267
Contributions - Employee	6,707,247	6,095,210	5,424,864	5,377,928	5,291,206	5,479,173	5,149,508	4,967,489	4,767,618	4,599,369
Net Investment Income	62,845,566	64,261,674	(45,060,193)	72,835,182	40,100,443	72,190,327	(14,664,558)	60,507,332	28,105,129	622,684
Benefit payments, including refunds of employee contributions	(35,156,074)	(33,632,176)	(33,826,183)	(30,491,141)	(27,247,853)	(27,209,284)	(23,632,610)	(22,432,659)	(20,889,414)	(19,961,687)
Administrative expense	(403,933)	(409,523)	(390,319)	(337,211)	(259,633)	(408,090)	(283,512)	(313,643)	(317,470)	(379,292)
Other	(9,447)	(2,861)	465,766	2,309	(10,130)	(12,259)	(14,812)	(15,895)	(17,105)	(18,735)
Net change in plan fiduciary net position	49,553,754	49,972,623	(61,729,728)	58,872,717	30,443,028	61,439,403	(22,558,514)	53,055,359	20,721,921	(6,070,394)
Plan Fiduciary Net Position - Beginning	606,160,934	556,188,314	617,918,041	559,045,324	528,602,296	467,162,893	489,721,409	436,066,048	415,944,127	422,014,521
Plan Fiduciary Net Position - Ending (B)	$ 655,714,688	$ 606,160,937	$ 556,188,313	$ 617,918,041	$ 559,045,324	$ 528,602,296	$ 467,162,895	$ 489,121,407	$ 436,666,048	415,944,127
Net Pension Liability (Asset)- Ending (A-B)	$ 33,699,238	$ 53,709,030	$ 82,956,081	$ (4,860,650)	$ 27,622,830	$ 38,606,269	$ 78,226,776	$ 33,801,303	$ 64,649,688	$ 63,413,999
Plan Fiduciary Net Position as a Percentage of Total Pension Liability (Asset)	95.11 %	91.86 %	87.02 %	100.79 %	95.29 %	93.19 %	85.66 %	93.54 %	87.10 %	86.77 %
Covered payroll	$ 95,817,808	$ 87,074,421	$ 77,439,024	$ 76,827,535	$ 75,578,149	$ 76,353,079	$ 73,564,399	$ 70,946,642	$ 68,061,898	$ 65,693,151
Net Pension Liability (Asset) as a Percentage of Covered Payroll	35.17 %	61.68 %	107.12 %	(6.33)%	36.55 %	50.56 %	106.34 %	47.64 %	94.99 %	96.53 %

(A) Budgetary Information

As set forth in the City Charter, the City Council adopts annual budgets for the General Fund, the Debt Service Fund, Special Revenue Funds, Enterprise Funds, and Internal Service Funds. These annual budget adoptions are prepared in accordance with the basis of accounting utilized by each fund, with certain exceptions made for non-cash GAAP adjustments such as accruals for court fines or mark to market interest revenue adjustments. The budgets for the Enterprise Funds are prepared under a basis consistent with accounting principles generally accepted in the United States, except that depreciation, certain capital expenses, nonoperating income and certain nonoperating expense items are not considered. The legal level of control for each budget is at the fund level. That is to say, that total expenditures for each fund should not exceed total budgeted expenditures for that fund. The City Council is authorized to transfer budgeted amounts within and among departments and ratifies, through the Budget Ordinance, any transfers and/or amendments made by the City Manager. Subsequent to year-end, the Budget Department provides the City Council with the adopted budgets. The Solid Waste and Water and Sewer Funds include amounts for operations and debt service.

	Original Budget	Amended Budget
General	$ 180,346,044	$ 182,446,458
Hotel/Motel Tax	9,756,082	9,554,209
Debt Service	51,711,529	51,719,101
Water and Sewer	112,704,076	110,860,135
Solid Waste Services	19,211,479	19,450,642
Internal Service (Combined)	22,605,219	23,221,132
Municipal Court Building Security	28,267	36,990
Technology	46,820	33,500
Judicial Efficiency	62,835	66,275
Municipal Jury Fund	1,400	1,300
Juvenile Case Manager	75,005	70,517
Tax Increment Financing #1	19,460,082	18,176,398
Tax Increment Financing #2	10,520,861	5,274,056
Tax Increment Financing #3	2,035,222	1,065,001
Federal Grants	2,288,270	2,845,368
Special Police	288,500	302,500
Wireless 911	728,400	736,000
PEG	115,000	155,000
Drainage	4,750,117	5,055,743
Richardson Improvement Corp.	10,620	10,055
Economic Development	618,876	3,890,770
Golf	3,252,606	3,563,515

(B) Expenditures Over Appropriations

Expenditures exceeded appropriations in the Eismann Endowment Fund by $12,500 due to an Eisemann Edge project invoice paid at the end of FY25, and the Golf Fund by $16,930 due to lease-related interest and fiscal charges and payments for obligations. These expenditures were covered by greater than expected revenues, other financing sources or available fund balances.

(C) Adjustment to Revenues, Expenditures and Other Financing Sources and Uses from GAAP Basis to Basis of Budgeting

Excess of revenues and other sources over expenditures and other uses-GAAP basis	$	779,647
End of year adjustment for encumbrances not recognized as expenditures		(528,072)
Adjustment for lease and subscription related interest and fiscal charges and payments for obligations		1,248,745
Non-cash mark to market investment revenue recognized for GAAP basis		82,466
Increase in fines and forfeitures recognized for GAAP basis		(244,559)
Excess of revenues and other sources over expenditures and other uses-budget basis	$	1,338,227

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INDIVIDUAL AND COMBINING FUND FINANCIAL STATEMENTS AND SCHEDULES

CITY OF RICHARDSON, TEXAS
Budgetary Comparison Schedule - Debt Service Fund
For the Fiscal Year Ended September 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget- Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Property taxes	$ 52,274,851	$ 50,201,401	$ 50,029,637	$ (171,764)
Interest revenue	170,883	238,618	188,106	(50,512)
Total revenues	52,445,734	50,440,019	50,217,743	(222,276)
Expenditures:				
Debt service:				
Interest and fiscal charges	13,835,883	13,843,455	13,835,898	7,557
Principal retirement	37,875,646	37,875,646	37,625,000	250,646
Payments for other obligations	-	-	250,646	(250,646)
Total expenditures	51,711,529	51,719,101	51,711,544	7,557
Excess (deficiency) of revenues over (under) expenditures	734,205	(1,279,082)	(1,493,801)	(214,719)
Other financing sources (uses):				
Transfers in	-	2,158,732	2,375,229	216,497
Total other financing sources (uses)	-	2,158,732	2,375,229	216,497
Net change in fund balance	734,205	879,650	881,428	1,778
Fund balances, October 1	3,533,397	3,629,945	3,629,945	-
Fund balances, September 30	$ 4,267,602	$ 4,509,595	$ 4,511,373	$ 1,778

COMBINING FINANCIAL STATEMENTS

Special Revenue Funds

Special Revenue Funds are used by the City to account for revenues derived from specific intergovernmental grants, taxes, and proceeds that are designated to finance particular functions or activities of the City. The City has the following Special Revenue Funds:

Municipal Court Funds consist of the following funds. The allowable purposes for each fund are specified by state law:

Municipal Court Building Security Fund - This fund is used to account for restricted proceeds received from Municipal Court fines for security expenditures.

Technology Fund - This fund is used to account for the Municipal Court technology fee charged to defendants convicted of misdemeanor offenses.

Judicial Efficiency Fund - This fund is used to account for special revenue to be used to improve the efficiency of the administration of justice in the City.

Jury Fund - This fund is used by the City to fund juror reimbursements and otherwise finance jury services.

Juvenile Case Manager Fund - This fund is used to finance the salary, benefits, training, travel, office supplies, and other necessary expenses relating to the position of Juvenile Case Manager.

Tax Increment Financing Funds consist of the following:

Tax Increment Financing Fund #1 - In 2006, the City Council adopted a Tax Increment Financing Zone. Ad valorem taxes on incremental growth in real property values in the Zone are used to contribute to development in the Zone. The City established a special revenue fund, Tax Increment Financing #1, to record these financial transactions.

Tax Increment Financing Fund #2 - In 2012, the City Council adopted a Tax Increment Financing Zone. Ad valorem taxes on incremental growth in real property values in the Zone are used to contribute to development in the Zone. The City established a special revenue fund, Tax Increment Financing #2, to record these financial transactions.

Tax Increment Financing Fund #3 - In 2012, the City Council adopted a Tax Increment Financing Zone. Ad valorem taxes on incremental growth in real property values in the Zone are used to contribute to development in the Zone. The City established a special revenue fund, Tax Increment Financing #3, to record these financial transactions.

Federal Grant Funds - This fund is used to account for restricted proceeds received from federal agencies for various purposes. Funds are to be utilized in accordance with the respective requirements of each program.

State Grant Funds - This fund is used to account for restricted proceeds received from the state for various purposes. Funds are to be utilized in accordance with the respective requirements of each program.

Special Police Funds - These funds are used to account for restricted proceeds received from seizures and confiscations awarded to the City by the judicial system. Federal grants that are police related are included. Funds are to be utilized by the Chief of Police in accordance with state law.

Wireless 911 Fund - This fund is used to account for the wireless 911 revenue that is received from the state. Funds are to be spent in accordance with state law.

PEG Fund - This fund is used to account for restricted revenues received from state-issued cable/video franchises under the Texas Utilities Code. Revenues may be spent on capital cost items for PEG facilities that have a useful life or more than one year and are used in the production of programming for the PEG access channels.

Drainage Fund - This fund was established by the City Council's adoption of an ordinance in November 2011. It is used to account for drainage fee revenues collected. The committed funds are used to provide storm drainage services to all real property.

Richardson Improvement Corporation - The Richardson Improvement Corporation is a legally separate entity that acts, in essence, as a department of the City. The Corporation is a nonprofit entity that serves the citizens of the City by improving municipal parks and recreational functions, facilitating real estate transactions and serving as an independent foundation for acceptance of corporate donations.

Economic Development Fund - This fund was established by the City Council's adoption of an ordinance in September 2014 dedicating resources for economic development.

Golf Fund - This fund was established to account for the revenues and expenditures of the City's golf course.

Permanent Fund

Ann & Charles Eisemann Edge Permanent Fund - A fund used to account for principal trust amounts received and related interest income to be used for the Eisemann Center Edge arts program.

CITY OF RICHARDSON, TEXAS
Combining Balance Sheet - Nonmajor Governmental Funds
September 30, 2025

	Municipal Court Funds[1]	Tax Increment Financing Funds[1]	Federal Grants	State Grants	Special Police Funds	Wireless 911 Fund
Assets:						
Current assets:						
Cash, cash equivalents, and investments	$ 615,263	$ 23,096,787	$ 165,276	$ 20,496	$ 1,069,388	$ 753,887
Receivables (net of allowances)	-	1,620	695,035	-	19,307	-
Lease Receivable	-	728,648	-	-	-	-
Inventories	-	-	205,499	-	-	-
Total assets	615,263	23,827,055	1,065,810	20,496	1,088,695	753,887
Liabilities:						
Current liabilities:						
Accounts payable	368	1,177,215	358,366	-	-	-
Retainage payable	-	522,713	147,668	-	-	-
Accrued liabilities	1,842	2,537	-	-	77,035	-
Unearned revenue	-	-	49,587	11,221	175,173	-
Total liabilities	2,210	1,702,465	555,621	11,221	252,208	-
Deferred inflows of resources						
Deferred inflows related to leases	-	511,204	-	-	-	-
Total deferred inflows of resources	-	511,204	-	-	-	-
Fund balances:						
Nonspendable:						
Inventory	-	-	205,499	-	-	-
Permanent fund principal	-	-	-	-	-	-
Restricted for:						
Capital projects	-	-	-	9,275	-	-
General government	613,053	21,613,386	-	-	-	-
Public safety	-	-	304,690	-	836,487	753,887
Committed for:						
General government	-	-	-	-	-	-
Public services	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-
Assigned for:						
Parks and recreation	-	-	-	-	-	-
Total fund balances	613,053	21,613,386	510,189	9,275	836,487	753,887
Total liabilities, deferred inflows of resources, and fund balances	$ 615,263	$ 23,827,055	$ 1,065,810	$ 20,496	$ 1,088,695	$ 753,887

(1) Combined fund statements presented. Detailed fund statements are found immediately following the combining nonmajor governmental funds statements.

CITY OF RICHARDSON, TEXAS
Combining Balance Sheet - Nonmajor Governmental Funds
September 30, 2025

PEG Fund	Drainage Fund	Richardson Improvement Corporation Fund	Economic Development Fund	Golf Fund	Special Revenue Funds Subtotal	Permanent Fund: Ann & Charles Eisemann Edge	Total Nonmajor Governmental Funds: Total
$ 1,134,258	$ 4,533,492	$ 11,589	$ 7,846,859	$ 600,395	$ 39,847,690	$ 262,447	$ 40,110,137
49,911	360,964	-	-	122,762	1,249,599	-	1,249,599
-	-	-	-	-	728,648	-	728,648
-	-	-	-	-	205,499	-	205,499
1,184,169	4,894,456	11,589	7,846,859	723,157	42,031,436	262,447	42,293,883
-	347,774	-	-	75,841	1,959,564	12,500	1,972,064
-	87,574	-	-	-	757,955	-	757,955
-	-	-	-	35,613	117,027	-	117,027
-	360,964	-	-	-	596,945	-	596,945
-	796,312	-	-	111,454	3,431,491	12,500	3,443,991
-	-	-	-	-	511,204	-	511,204
-	-	-	-	-	511,204	-	511,204
-	-	-	-	-	205,499	-	205,499
-	-	-	-	-	-	249,947	249,947
-	-	-	-	-	9,275	-	9,275
1,184,169	-	-	-	-	23,410,608	-	23,410,608
-	-	-	-	-	1,895,064	-	1,895,064
-	-	-	7,846,859	-	7,846,859	-	7,846,859
-	4,098,144	-	-	-	4,098,144	-	4,098,144
-	-	-	-	611,703	611,703	-	611,703
-	-	11,589	-	-	11,589	-	11,589
1,184,169	4,098,144	11,589	7,846,859	611,703	38,088,741	249,947	38,338,688
$ 1,184,169	$ 4,894,456	$ 11,589	$ 7,846,859	$ 723,157	$ 42,031,436	$ 262,447	$ 42,293,883

CITY OF RICHARDSON, TEXAS

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds

Year ended September 30, 2025

	Municipal Court Funds[1]	Tax Increment Financing Funds[1]	Federal Grants	State Grants	Special Police Funds	Wireless 911 Fund
Revenues:						
Property taxes	$ -	$ 13,591,364	$ -	$ -	$ -	$ -
Franchise taxes	-	-	-	-	-	-
Drainage fees	-	-	-	-	-	-
911 revenue	-	-	-	-	-	692,505
Intergovernmental revenue	-	3,012,561	2,929,895	-	281,197	-
Fines and forfeitures	158,236	-	-	-	7,068	-
Interest revenue (temporary loss)	25,476	1,239,860	15,775	9,275	37,360	32,685
Golf course revenue	-	-	-	-	-	-
Golf course restaurant	-	-	-	-	-	-
Contributions	-	-	-	-	-	-
Other	-	101,645	-	-	1,500	-
Total revenues	183,712	17,945,430	2,945,670	9,275	327,125	725,190
Expenditures:						
General government	92,323	4,317,021	20,487	-	-	-
Public safety	13,978	-	126,786	-	162,143	79,149
Public services	-	-	-	-	-	-
Parks and recreation	-	199,046	-	-	-	-
General administration	-	163,388	-	-	-	-
Capital outlay	-	7,709,798	2,556,805	-	-	-
Debt service:						
Interest and fiscal charges	-	4,104,431	-	-	-	-
Payments for other obligations	-	4,051,698	-	-	-	-
Total expenditures	106,301	20,545,382	2,704,078	-	162,143	79,149
Excess (deficiency) of revenues over (under) expenditures	77,411	(2,599,952)	241,592	9,275	164,982	646,041
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	(22,274)	-	-	-	(50,000)	(650,000)
Total other financing sources (uses)	(22,274)	-	-	-	(50,000)	(650,000)
Net change in fund balances	55,137	(2,599,952)	241,592	9,275	114,982	(3,959)
Fund balances, October 1	557,916	24,213,338	268,597	-	721,505	757,846
Fund balances, September 30	$ 613,053	$ 21,613,386	$ 510,189	$ 9,275	$ 836,487	$ 753,887

(1) Combined fund statements presented. Detailed fund statements are found immediately following the combining nonmajor governmental funds statements.

CITY OF RICHARDSON, TEXAS

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds

Year ended September 30, 2025

PEG Fund	Drainage Fund	Richardson Improvement Corporation Fund	Economic Development Fund	Golf Fund	Special Revenue Funds Subtotal	Permanent Fund: Ann & Charles Eisemann Edge	Total Nonmajor Governmental Funds: Total
$ -	$ -	$ -	$ -	$ -	$ 13,591,364	$ -	$ 13,591,364
151,509	-	-	-	-	151,509	-	151,509
-	3,977,061	-	-	-	3,977,061	-	3,977,061
-	-	-	-	-	692,505	-	692,505
-	-	-	-	-	6,223,653	-	6,223,653
-	-	-	-	-	165,304	-	165,304
48,676	209,413	-	407,892	25,003	2,051,415	11,321	2,062,736
-	-	-	-	3,302,692	3,302,692	-	3,302,692
-	-	-	-	73,938	73,938	-	73,938
-	-	-	-	-	-	46	46
-	-	-	-	87,432	190,577	-	190,577
200,185	4,186,474	-	407,892	3,489,065	30,420,018	11,367	30,431,385
65,357	-	-	1,771,882	-	6,267,070	12,500	6,279,570
-	-	-	-	-	382,056	-	382,056
-	2,000,043	-	-	-	2,000,043	-	2,000,043
-	-	9,711	-	2,628,192	2,836,949	-	2,836,949
-	1,189,638	-	-	241,165	1,594,191	-	1,594,191
32,867	1,265,616	-	-	-	11,565,086	-	11,565,086
-	-	-	-	31,775	4,136,206	-	4,136,206
-	-	-	-	129,715	4,181,413	-	4,181,413
98,224	4,455,297	9,711	1,771,882	3,030,847	32,963,014	12,500	32,975,514
101,961	(268,823)	(9,711)	(1,363,990)	458,218	(2,542,996)	(1,133)	(2,544,129)
-	-	-	2,076,659	-	2,076,659	-	2,076,659
-	-	-	-	(549,600)	(1,271,874)	-	(1,271,874)
-	-	-	2,076,659	(549,600)	804,785	-	804,785
101,961	(268,823)	(9,711)	712,669	(91,382)	(1,738,211)	(1,133)	(1,739,344)
1,082,208	4,366,967	21,300	7,134,190	703,085	39,826,952	251,080	40,078,032
$ 1,184,169	$ 4,098,144	$ 11,589	$ 7,846,859	$ 611,703	$ 38,088,741	$ 249,947	$ 38,338,688

CITY OF RICHARDSON, TEXAS

Combining Balance Sheet - Nonmajor Governmental Funds - Municipal Court Funds

September 30, 2025

	Building Security	Technology	Judicial Efficiency	Municipal Jury Fund	Juvenile Case Manager	Total
Assets:						
Cash, cash equivalents, and investments	$ 39,873	$ 325,392	$ 169,317	$ 1,189	$ 79,492	$ 615,263
Total	39,873	325,392	169,317	1,189	79,492	615,263
Liabilities:						
Accounts payable	$ -	$ -	$ 368	$ -	$ -	$ 368
Accrued liabilities	-	-	-	-	1,842	1,842
Total liabilities	-	-	368	-	1,842	2,210
Fund balances:						
Restricted for:						
General government	39,873	325,392	168,949	1,189	77,650	613,053
Total fund balances	39,873	325,392	168,949	1,189	77,650	613,053
Total liabilities and fund balances	$ 39,873	$ 325,392	$ 169,317	$ 1,189	$ 79,492	$ 615,263

CITY OF RICHARDSON, TEXAS

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance -
Nonmajor Governmental Funds - Municipal Court Funds
For the Fiscal Year Ended September 30, 2025

	Building Security	Technology	Judicial Efficiency	Municipal Jury Fund	Juvenile Case Manager	Total
Revenues:						
Fines and forfeitures	$ 44,547	$ 36,572	$ 31,195	$ 900	$ 45,022	$ 158,236
Interest revenue (temporary loss)	1,215	13,477	6,862	53	3,869	25,476
Total revenues	45,762	50,049	38,057	953	48,891	183,712
Expenditures:						
General government	-	12,113	9,487	1,241	69,482	92,323
Public safety	13,978	-	-	-	-	13,978
Total expenditures	13,978	12,113	9,487	1,241	69,482	106,301
Excess (deficiency) of revenues over (under) expenditures	31,784	37,936	28,570	(288)	(20,591)	77,411
Other financing sources (uses):						
Transfers out	(22,274)	-	-	-	-	(22,274)
Net change in fund balances	9,510	37,936	28,570	(288)	(20,591)	55,137
Fund balances, October 1	30,363	287,456	140,379	1,477	98,241	557,916
Fund balances, September 30	$ 39,873	$ 325,392	$ 168,949	$ 1,189	$ 77,650	$ 613,053

CITY OF RICHARDSON, TEXAS
Budgetary Comparison Schedule - Municipal Court Building Security Fund
For the Fiscal Year Ended September 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget- Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Fines and forfeitures	$ 48,750	$ 40,300	$ 44,547	$ 4,247
Interest revenue (temporary loss)	2,729	1,137	1,215	78
Total revenues	51,479	41,437	45,762	4,325
Expenditures:				
Public safety	3,892	16,840	13,978	2,862
Total expenditures	3,892	16,840	13,978	2,862
Excess (deficiency) of revenues over (under) expenditures	47,587	24,597	31,784	7,187
Other financing sources (uses):				
Transfers out	(24,375)	(20,150)	(22,274)	(2,124)
Net change in fund balance	23,212	4,447	9,510	5,063
Fund balances, October 1	22,951	30,363	30,363	-
Fund balances, September 30	$ 46,163	$ 34,810	$ 39,873	$ 5,063

CITY OF RICHARDSON, TEXAS
Budgetary Comparison Schedule - Technology Fund
For the Fiscal Year Ended September 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures	$ 38,897	$ 33,300	$ 36,572	$ 3,272
Interest revenue (temporary loss)	10,845	13,391	13,477	86
Total revenues	49,742	46,691	50,049	3,358
Expenditures:				
General government	46,820	33,500	12,113	21,387
Total expenditures	46,820	33,500	12,113	21,387
Net change in fund balance	2,922	13,191	37,936	24,745
Fund balances, October 1	268,302	287,456	287,456	-
Fund balances, September 30	$ 271,224	$ 300,647	$ 325,392	$ 24,745

CITY OF RICHARDSON, TEXAS
Budgetary Comparison Schedule - Judicial Efficiency Fund
For the Fiscal Year Ended September 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures	$ 27,800	$ 32,700	$ 31,195	$ (1,505)
Interest revenue (temporary loss)	4,723	6,691	6,862	171
Total revenues	32,523	39,391	38,057	(1,334)
Expenditures:				
General government	62,835	66,275	9,487	56,788
Total expenditures	62,835	66,275	9,487	56,788
Net change in fund balance	(30,312)	(26,884)	28,570	55,454
Fund balances, October 1	107,790	140,379	140,379	-
Fund balances, September 30	$ 77,478	$ 113,495	$ 168,949	$ 55,454

CITY OF RICHARDSON, TEXAS
Budgetary Comparison Schedule - Municipal Jury Fund
For the Fiscal Year Ended September 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amount	(Negative)
Revenues:				
Fines and forfeitures	$ 981	$ 870	$ 900	$ 30
Interest revenue (temporary loss)	78	57	53	(4)
Total revenues	1,059	927	953	26
Expenditures:				
General government	1,400	1,300	1,241	59
Total expenditures	1,400	1,300	1,241	59
Net change in fund balance	(341)	(373)	(288)	85
Fund balances, October 1	1,472	1,477	1,477	-
Fund balances, September 30	$ 1,131	$ 1,104	$ 1,189	$ 85

CITY OF RICHARDSON, TEXAS
Budgetary Comparison Schedule - Juvenile Case Manager
For the Fiscal Year Ended September 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amount	(Negative)
Revenues:				
Fines and forfeitures	$ 49,100	$ 44,700	$ 45,022	$ 322
Interest revenue (temporary loss)	4,976	4,276	3,869	(407)
Total revenues	54,076	48,976	48,891	(85)
Expenditures:				
General government	75,005	70,517	69,482	1,035
Total expenditures	75,005	70,517	69,482	1,035
Net change in fund balance	(20,929)	(21,541)	(20,591)	950
Fund balances, October 1	97,919	98,241	98,241	-
Fund balances, September 30	$ 76,990	$ 76,700	$ 77,650	$ 950

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CITY OF RICHARDSON, TEXAS
Combining Balance Sheet - Nonmajor Governmental Funds - Tax Increment Financing Funds
September 30, 2025

	Tax Increment Financing #1	Tax Increment Financing #2	Tax Increment Financing #3	Total
Assets:				
Cash, cash equivalents, and investments	$ 16,495,622	$ 5,468,093	$ 1,133,072	$ 23,096,787
Accounts receivable	1,620	-	-	1,620
Lease Receivable	728,648	-	-	728,648
Total	17,225,890	5,468,093	1,133,072	23,827,055
Liabilities:				
Accounts payable	1,177,215	-	-	1,177,215
Retainage payable	522,713	-	-	522,713
Accrued liabilities	2,537	-	-	2,537
Total liabilities	1,702,465	-	-	1,702,465
Deferred inflows related to leases	511,204	-	-	511,204
Total deferred inflows of resources	511,204	-	-	511,204
Fund balances:				
Restricted for:				
General government	15,012,221	5,468,093	1,133,072	21,613,386
Total fund balances	15,012,221	5,468,093	1,133,072	21,613,386
Total liabilities and fund balances	$ 17,225,890	$ 5,468,093	$ 1,133,072	$ 23,827,055

CITY OF RICHARDSON, TEXAS

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance -
Nonmajor Governmental Funds - Tax Increment Financing Funds
For the Fiscal Year Ended September 30, 2025

	Tax Increment Financing #1	Tax Increment Financing #2	Tax Increment Financing #3	Total
Revenues:				
General property taxes	$ 7,959,736	$ 4,649,723	$ 981,905	$ 13,591,364
Intergovernmental revenue	1,840,069	970,674	201,818	3,012,561
Interest revenue (temporary loss)	876,972	301,173	61,715	1,239,860
Other	101,645	-	-	101,645
Total revenues	10,778,422	5,921,570	1,245,438	17,945,430
Expenditures:				
General government	4,317,021	-	-	4,317,021
Parks and recreation	199,046	-	-	199,046
General administration	138,880	24,508	-	163,388
Capital outlay	7,709,798	-	-	7,709,798
Debt service:				
Payments for other obligations	471,843	3,579,855	-	4,051,698
Interest and fiscal charges	1,369,737	1,669,693	1,065,001	4,104,431
Total expenditures	14,206,325	5,274,056	1,065,001	20,545,382
Net change in fund balances	(3,427,903)	647,514	180,437	(2,599,952)
Fund balances, October 1	18,440,124	4,820,579	952,635	24,213,338
Fund balances, September 30	$ 15,012,221	$ 5,468,093	$ 1,133,072	$ 21,613,386

CITY OF RICHARDSON, TEXAS

Budgetary Comparison Schedule - Tax Increment Financing #1

For the Fiscal Year Ended September 30, 2025

	Budgeted Amounts		Actual GAAP	Adjustments	Actual Budget	Variance with Final Budget-Positive
	Original	Final	Basis	Budget Basis	Basis	(Negative)
Revenues:						
Property taxes	$ 8,368,645	$ 8,122,244	$ 7,959,736	$ -	$ 7,959,736	$ (162,508)
Intergovernmental revenue	2,154,623	1,888,068	1,840,069	-	1,840,069	(47,999)
Interest revenue (temporary loss)	662,500	875,290	876,972	-	876,972	1,682
Other	-	-	101,645	-	101,645	101,645
Total revenues	11,185,768	10,885,602	10,778,422	-	10,778,422	(107,180)
Expenditures:						
General government	7,266,777	7,484,786	4,317,021	1,841,580	6,158,601	1,326,185
General administration	138,880	138,880	138,880	-	138,880	-
Parks and recreation	-	-	199,046	-	199,046	(199,046)
Capital outlay	12,054,425	10,552,732	7,709,798	-	7,709,798	2,842,934
Debt service:						
Payments for other obligations	-	-	471,843	(471,843)	-	-
Interest and fiscal charges	-	-	1,369,737	(1,369,737)	-	-
Total expenditures	19,460,082	18,176,398	14,206,325	-	14,206,325	3,970,073
Net change in fund balance	(8,274,314)	(7,290,796)	(3,427,903)	-	(3,427,903)	3,862,893
Fund balances, October 1	11,950,903	18,440,124	18,440,124	-	18,440,124	-
Fund balances, September 30	$ 3,676,589	$ 11,149,328	$ 15,012,221	$ -	$ 15,012,221	$ 3,862,893

CITY OF RICHARDSON, TEXAS

Budgetary Comparison Schedule - Tax Increment Financing #2

For the Fiscal Year Ended September 30, 2025

	Budgeted Amounts		Actual GAAP	Adjustments	Actual Budget	Variance with Final Budget-Positive
	Original	Final	Basis	Budget Basis	Basis	(Negative)
Revenues:						
Property taxes	$ 4,703,484	$ 4,703,459	$ 4,649,723	$ -	$ 4,649,723	$ (53,736)
Intergovernmental revenue	970,344	970,674	970,674	-	970,674	-
Interest revenue (temporary loss)	164,163	278,677	301,173	-	301,173	22,496
Total revenues	5,837,991	5,952,810	5,921,570	-	5,921,570	(31,240)
Expenditures:						
General government	10,496,353	5,249,548	-	5,249,548	5,249,548	-
General administration	24,508	24,508	24,508	-	24,508	-
Debt service:						
Payments for other obligations	-	-	3,579,855	(3,579,855)	-	-
Interest and fiscal charges	-	-	1,669,693	(1,669,693)	-	-
Total expenditures	10,520,861	5,274,056	5,274,056	-	5,274,056	-
Net change in fund balance	(4,682,870)	678,754	647,514	-	647,514	(31,240)
Fund balances, October 1	4,794,781	4,820,579	4,820,579	-	4,820,579	-
Fund balances, September 30	$ 111,911	$ 5,499,333	$ 5,468,093	$ -	$ 5,468,093	$ (31,240)

CITY OF RICHARDSON, TEXAS

Budgetary Comparison Schedule - Tax Increment Financing #3

For the Fiscal Year Ended September 30, 2025

	Budgeted Amounts		Actual GAAP	Adjustments	Actual Budget	Variance with Final Budget-Positive
	Original	Final	Basis	Budget Basis	Basis	(Negative)
Revenues:						
Property taxes	$ 1,002,386	$ 978,797	$ 981,905	$ -	$ 981,905	$ 3,108
Intergovernmental revenue	207,069	201,818	201,818	-	201,818	-
Interest revenue	31,840	56,925	61,715	-	61,715	4,790
Total revenues	1,241,295	1,237,540	1,245,438	-	1,245,438	7,898
Expenditures:						
General government	2,035,222	1,065,001	-	1,065,001	1,065,001	-
Debt service:						
Interest and fiscal charges	-	-	1,065,001	(1,065,001)	-	-
Total expenditures	2,035,222	1,065,001	1,065,001	-	1,065,001	-
Net change in fund balance	(793,927)	172,539	180,437	-	180,437	7,898
Fund balances, October 1	931,853	952,635	952,635	-	952,635	-
Fund balances, September 30	$ 137,926	$ 1,125,174	$ 1,133,072	$ -	$ 1,133,072	$ 7,898

CITY OF RICHARDSON, TEXAS
Budgetary Comparison Schedule - Federal Grants Fund
For the Fiscal Year Ended September 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget- Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Intergovernmental revenue	$ -	$ -	$ 2,929,895	$ 2,929,895
Interest revenue	45,891	13,736	15,775	2,039
Other	65,000	2,883,820	-	(2,883,820)
Total revenues	110,891	2,897,556	2,945,670	48,114
Expenditures:				
General government	5,000	14,367	20,487	(6,120)
Public safety	40,000	60,000	126,786	(66,786)
Capital outlay	2,243,270	2,771,001	2,556,805	214,196
Total expenditures	2,288,270	2,845,368	2,704,078	141,290
Net change in fund balance	(2,177,379)	52,188	241,592	189,404
Fund balances, October 1	2,180,173	268,597	268,597	-
Fund balances, September 30	$ 2,794	$ 320,785	$ 510,189	$ 189,404

CITY OF RICHARDSON, TEXAS
Budgetary Comparison Schedule - State Grants Fund
For the Fiscal Year Ended September 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget- Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Intergovernmental revenue	$ -	$ -	$ 9,275	$ 9,275
Total revenues	-	-	9,275	9,275
Expenditures:				
Total expenditures	-	-	-	-
Net change in fund balance	-	-	9,275	9,275
Fund balances, October 1	-	-	-	-
Fund balances, September 30	$ -	$ -	$ 9,275	$ 9,275

CITY OF RICHARDSON, TEXAS
Budgetary Comparison Schedule - Special Police Funds
For the Fiscal Year Ended September 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget- Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Intergovernmental revenue	$ 160,000	$ 129,500	$ 281,197	$ 151,697
Fines and forfeitures	10,000	6,200	7,068	868
Interest revenue	75,580	76,637	37,360	(39,277)
Other	-	-	1,500	1,500
Total revenues	245,580	212,337	327,125	114,788
Expenditures:				
Public safety	238,500	252,500	162,143	90,357
Total expenditures	238,500	252,500	162,143	90,357
Excess (deficiency) of revenues over (under) expenditures	7,080	(40,163)	164,982	205,145
Other financing sources (uses):				
Transfers out	(50,000)	(50,000)	(50,000)	-
Total other financing sources (uses)	(50,000)	(50,000)	(50,000)	-
Net change in fund balance	(42,920)	(90,163)	114,982	205,145
Fund balances, October 1	560,106	721,505	721,505	-
Fund balances, September 30	$ 517,186	$ 631,342	$ 836,487	$ 205,145

CITY OF RICHARDSON, TEXAS
Budgetary Comparison Schedule - Wireless 911 Fund
For the Fiscal Year Ended September 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget- Positive
	Original	Final	Amounts	(Negative)
Revenues:				
911 revenue	$ 665,145	$ 665,890	$ 692,505	$ 26,615
Interest revenue	24,099	35,448	32,685	(2,763)
Total revenues	689,244	701,338	725,190	23,852
Expenditures:				
Public safety	13,400	86,000	79,149	6,851
Capital outlay	65,000	-	-	-
Total expenditures	78,400	86,000	79,149	6,851
Excess (deficiency) of revenues over (under) expenditures	610,844	615,338	646,041	30,703
Other financing sources (uses):				
Transfers out	(650,000)	(650,000)	(650,000)	-
Total other financing sources (uses)	(650,000)	(650,000)	(650,000)	-
Net change in fund balance	(39,156)	(34,662)	(3,959)	30,703
Fund balances, October 1	427,553	757,846	757,846	-
Fund balances, September 30	$ 388,397	$ 723,184	$ 753,887	$ 30,703

CITY OF RICHARDSON, TEXAS
Budgetary Comparison Schedule - PEG Fund
For the Fiscal Year Ended September 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Franchise taxes	$ 161,584	$ 163,575	$ 151,509	$ (12,066)
Interest revenue	39,277	45,281	48,676	3,395
Total revenues	200,861	208,856	200,185	(8,671)
Expenditures:				
General government	-	-	65,357	(65,357)
Capital outlay	115,000	155,000	32,867	122,133
Total expenditures	115,000	155,000	98,224	56,776
Net change in fund balance	85,861	53,856	101,961	48,105
Fund balances, October 1	1,024,336	1,082,208	1,082,208	-
Fund balances, September 30	$ 1,110,197	$ 1,136,064	$ 1,184,169	$ 48,105

CITY OF RICHARDSON, TEXAS
Budgetary Comparison Schedule - Drainage Fund
For the Fiscal Year Ended September 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget- Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Interest revenue	$ 137,692	$ 234,955	$ 209,413	$ (25,542)
Drainage fees	3,916,645	3,964,998	3,977,061	12,063
Total revenues	4,054,337	4,199,953	4,186,474	(13,479)
Expenditures:				
Public services	1,286,525	2,130,655	2,000,043	130,612
General administration	1,189,638	1,189,638	1,189,638	-
Capital outlay	2,273,954	1,735,450	1,265,616	469,834
Total expenditures	4,750,117	5,055,743	4,455,297	600,446
Net change in fund balance	(695,780)	(855,790)	(268,823)	586,967
Fund balances, October 1	3,932,978	4,366,967	4,366,967	-
Fund balances, September 30	$ 3,237,198	$ 3,511,177	$ 4,098,144	$ 586,967

CITY OF RICHARDSON, TEXAS

Budgetary Comparison Schedule - Richardson Improvement Corporation Fund

For the Fiscal Year Ended September 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Total revenues	$ -	$ -	$ -	$ -
Expenditures:				
Parks and recreation	10,620	10,055	9,711	344
Total expenditures	10,620	10,055	9,711	344
Net change in fund balance	(10,620)	(10,055)	(9,711)	344
Fund balances, October 1	20,559	21,300	21,300	-
Fund balances, September 30	$ 9,939	$ 11,245	$ 11,589	$ 344

CITY OF RICHARDSON, TEXAS
Budgetary Comparison Schedule - Economic Development
For the Fiscal Year Ended September 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Interest revenue (temporary loss)	$ 225,598	$ 225,598	$ 407,892	$ 182,294
Total revenues	225,598	225,598	407,892	182,294
Expenditures:				
General government	618,876	3,890,770	1,771,882	2,118,888
Total expenditures	618,876	3,890,770	1,771,882	2,118,888
Excess (deficiency) of revenues over (under) expenditures	(393,278)	(3,665,172)	(1,363,990)	2,301,182
Other financing sources (uses):				
Transfers in	2,076,659	2,076,659	2,076,659	-
Total other financing sources (uses)	2,076,659	2,076,659	2,076,659	-
Net change in fund balance	1,683,381	(1,588,513)	712,669	2,301,182
Fund balances, October 1	5,573,322	7,134,190	7,134,190	-
Fund balances, September 30	$ 7,256,703	$ 5,545,677	$ 7,846,859	$ 2,301,182

CITY OF RICHARDSON, TEXAS
Budgetary Comparison Schedule - Golf Fund
For the Fiscal Year Ended September 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget- Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Golf course revenue	$ 3,139,312	$ 3,017,012	$ 3,302,692	$ 285,680
Golf course restaurant	51,320	50,332	73,938	23,606
Interest	45,048	21,608	25,003	3,395
Other miscellaneous	59,000	92,448	87,432	(5,016)
Total revenues	3,294,680	3,181,400	3,489,065	307,665
Expenditures:				
General administration	241,165	241,165	241,165	-
Parks and recreation	2,471,126	2,828,385	2,628,192	200,193
Interest and fiscal charges	-	-	31,775	(31,775)
Payments for other obligations	-	-	129,715	(129,715)
Total expenditures	2,712,291	3,069,550	3,030,847	38,703
Excess (deficiency) of revenues over (under) expenditures	582,389	111,850	458,218	346,368
Other financing sources (uses):				
Transfers out	(540,315)	(493,965)	(549,600)	(55,635)
Total other financing sources (uses)	(540,315)	(493,965)	(549,600)	(55,635)
Net change in fund balance	42,074	(382,115)	(91,382)	290,733
Fund balances, October 1	501,382	703,085	703,085	-
Fund balances, September 30	$ 543,456	$ 320,970	$ 611,703	$ 290,733

CITY OF RICHARDSON, TEXAS

Budgetary Comparison Schedule - Ann & Charles Eisemann Edge Permanent Fund

For the Fiscal Year Ended September 30, 2025

	Budgeted Amounts		Actual Basis	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Interest revenue (temporary loss)	$ 10,230	$ 11,507	$ 11,321	$ (186)
Contributions	-	-	46	46
Total revenues	10,230	11,507	11,367	(140)
Expenditures:				
General government	-	-	12,500	(12,500)
Total expenditures	-	-	12,500	(12,500)
Net change in fund balance	10,230	11,507	(1,133)	(12,640)
Fund balances, October 1	251,290	251,080	251,080	-
Fund balances, September 30	$ 261,520	$ 262,587	$ 249,947	$ (12,640)

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Internal Service Funds

Internal Service Funds are used to account for the financing of goods or services provided by certain departments to other departments within the City. The City uses three internal service funds.

Central Services Fund - This fund accounts for warehouse, mail, and records management operations of the City on a cost-reimbursement basis.

Insurance Fund - This fund accounts for the health insurance program provided by the City to its employees and to their dependents, as well as retirees, on a subsidized cost basis.

Technology Replacement Fund - This fund accounts for costs of replacing information technology hardware and software related to legacy ERP and Traffic systems.

CITY OF RICHARDSON, TEXAS
Combining Statement of Net Position - All Internal Service Funds
September 30, 2025

	Central Services Fund	Insurance Fund	Technology Replacement Fund	Total
Assets:				
Current assets:				
Cash, cash equivalents, and investments	$ 436,778	$ 2,398,361	$ 3,684,873	$ 6,520,012
Investments	-	12,187,460	-	12,187,460
Inventories	502,405	-	-	502,405
Prepaid items	-	64,688	-	64,688
Total current assets	939,183	14,650,509	3,684,873	19,274,565
Capital and intangible right-to-use assets:				
Land	56,011	-	-	56,011
Buildings	259,990	-	-	259,990
Improvements	23,023	-	-	23,023
Vehicles, machinery and equipment	332,144	-	63,411	395,555
Intangible right-to-use assets	254,743	-	-	254,743
SBITA Assets	-	-	7,140,693	7,140,693
Construction in progress	-	-	96,692	96,692
Total capital and intangible right-to-use assets	925,911	-	7,300,796	8,226,707
Less: Accumulated depreciation	(565,112)	-	(27,784)	(592,896)
Less: Leases accumulated amortization	(110,330)	-	-	(110,330)
Less: SBITA accumulated amortization	-	-	(2,448,258)	(2,448,258)
Total capital and intangible right-to-use assets, net of accumulated depreciation and amortization	250,469	-	4,824,754	5,075,223
Total assets	1,189,652	14,650,509	8,509,627	24,349,788
Deferred outflows of resources:				
Pension contributions, investment experience and assumptions	207,299	96,500	-	303,799
OPEB contributions, investment experience and assumptions	9,381	7,886	-	17,267
Total deferred outflows of resources	216,680	104,386	-	321,066
Liabilities:				
Current liabilities:				
Accounts payable	19,380	318,149	77,877	415,406
Accrued liabilities	9,865	28,123	-	37,988
Accrued interest	70	-	68,944	69,014
Unpaid claims liabilities	-	1,287,394	-	1,287,394
Current maturities of bonds, leases and contractual obligations	49,823	-	1,158,686	1,208,509
OPEB liability	5,206	6,441	-	11,647
Compensated absences	5,675	3,452	-	9,127
Workers' compensation liability	1,567	-	-	1,567
Total current liabilities	91,586	1,643,559	1,305,507	3,040,652
Noncurrent liabilities:				
Bonds, leases and contractual obligations	89,809	-	3,693,878	3,783,687
OPEB liability	85,298	105,519	-	190,817
Net pension liability (asset)	287,794	127,752	-	415,546
Compensated absences	45,916	27,928	-	73,844
Total noncurrent liabilities	508,817	261,199	3,693,878	4,463,894
Total liabilities	600,403	1,904,758	4,999,385	7,504,546
Deferred inflows of resources:				
Pension actuarial experience	63,327	31,837	-	95,164
OPEB assumptions	96,684	57,615	-	154,299
Total deferred inflows of resources	160,011	89,452	-	249,463
Net position:				
Net investment in capital assets	110,837	-	(27,810)	83,027
Unrestricted	535,081	12,760,685	3,538,052	16,833,818
Total net position	$ 645,918	$ 12,760,685	$ 3,510,242	$ 16,916,845

CITY OF RICHARDSON, TEXAS

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position - All Internal Service Funds

For the Fiscal Year Ended September 30, 2025

	Central Services Fund	Insurance Fund	Technology Replacement Fund	Total
Operating revenues:				
Charges for services	$ 620,314	$ -	$ 1,500,000	$ 2,120,314
City and employee contributions	-	15,455,012	-	15,455,012
Miscellaneous	-	1,521,257	-	1,521,257
Total operating revenues	620,314	16,976,269	1,500,000	19,096,583
Operating expenses:				
Personal services	443,727	2,485,349	-	2,929,076
Professional and technical services	16,340	1,091,124	-	1,107,464
Property services	42,261	-	685,997	728,258
Other purchased services	-	7,245	55,286	62,531
Insurance claims	-	18,367,568	-	18,367,568
Supplies	8,955	-	29,783	38,738
Depreciation	5,650	-	14,007	19,657
Amortization	50,955	-	918,474	969,429
Total operating expenses	567,888	21,951,286	1,703,547	24,222,721
Operating income (loss)	52,426	(4,975,017)	(203,547)	(5,126,138)
Nonoperating revenues (expenses):				
Interest revenue	30,346	614,027	217,311	861,684
Interest expense and fiscal charges	(4,324)	-	(149,899)	(154,223)
Transfers in	-	2,000,000	-	2,000,000
Total nonoperating revenues (expenses)	26,022	2,614,027	67,412	2,707,461
Change in net position	78,448	(2,360,990)	(136,135)	(2,418,677)
Net position, October 1	567,470	15,121,675	3,646,377	19,335,522
Net position, September 30	$ 645,918	$ 12,760,685	$ 3,510,242	$ 16,916,845

CITY OF RICHARDSON, TEXAS
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended September 30, 2025

	Central Services Fund	Insurance Fund	Technology Replacement Fund	Total
Cash flows from operating activities:				
Cash received from service users	$ 620,314	$ -	$ 1,500,000	$ 2,120,314
Cash received from City, employee, and other contributions	-	16,976,269	-	16,976,269
Cash payments to employees	(466,330)	(2,496,753)	-	(2,963,083)
Cash payments for claims	-	(18,184,879)	-	(18,184,879)
Cash payments for goods and services	(85,779)	(1,463,060)	(769,281)	(2,318,120)
Net cash provided by (used in) operating activities	68,205	(5,168,423)	730,719	(4,369,499)
Cash from capital and related financing activities:				
Acquisition and construction of capital and intangible right-to-use assets	-	-	(112,798)	(112,798)
Principal paid on debt	(48,555)	-	(1,085,966)	(1,134,521)
Interest paid on debt	(4,339)	-	(143,566)	(147,905)
Transfers to/from other funds	-	2,000,000	-	2,000,000
Net cash provided by (used in) capital and related financing activities	(52,894)	2,000,000	(1,342,330)	604,776
Cash flows from investing activity:				
Purchase of investment securities	-	3,633,562	-	3,633,562
Interest received on investments	30,346	614,027	217,311	861,684
Net cash provided by (used in) investing activities	30,346	4,247,589	217,311	4,495,246
Net increase (decrease) in cash and cash equivalents	45,657	1,079,166	(394,300)	730,523
Cash and cash equivalents, October 1	391,121	1,319,195	4,079,173	5,789,489
Cash and cash equivalents, September 30	$ 436,778	$ 2,398,361	$ 3,684,873	$ 6,520,012
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	$ 52,426	$ (4,975,017)	$ (203,547)	$ (5,126,138)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation and amortization	56,605	-	932,481	989,086
Changes in assets and liabilities:				
(Increase)Decrease in inventory of supplies	(38,840)	-	-	(38,840)
(Increase)Decrease in prepaid items	-	(18,430)	-	(18,430)
Increase(Decrease) in accounts payable	19,111	(350,332)	1,785	(329,436)
Increase(Decrease) in unpaid claims liabilities	-	182,689	-	182,689
Increase(Decrease) in compensated absences	(21,317)	(9,692)	-	(31,009)
Increase(Decrease) in workers compensation	1,567	-	-	1,567
Increase(Decrease) in post-employment benefits	(47,938)	(28,764)	-	(76,702)
Increase(Decrease) in pension liabilities	(92,041)	(55,225)	-	(147,266)
Increase(Decrease) in accrued liabilities	1,506	4,071	-	5,577
Increase(Decrease) in deferred inflows/outlows	137,126	82,277	-	219,403
Total adjustments	15,779	(193,406)	934,266	756,639
Net cash provided by (used in) operating activities:	$ 68,205	$ (5,168,423)	$ 730,719	$ (4,369,499)
Reconciliation of cash and cash equivalents to the statement of net position:				
Total cash and investments per the statement of net position	$ 436,778	$ 2,398,361	$ 3,684,873	$ 6,520,012
Cash and cash equivalents at September 30, 2025	$ 436,778	$ 2,398,361	$ 3,684,873	$ 6,520,012
Noncash disclosures:				
Acquisition of asset and liability utilizing SBITA	$ -	$ -	$ 1,339,028	$ 1,339,028

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STATISTICAL SECTION

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CITY OF RICHARDSON, TEXAS
Statistical Section
September 30, 2025

Tables in the statistical section present detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the overall financial health of the City.

	Pages
Financial Trends – These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	139 - 145
Revenue Capacity - These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	146 - 149
Debt Capacity - These schedules present information to help the reader assess the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	150 - 154
Demographic and Economic Information - These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	155 - 156
Operating Information - These schedules contain service and infrastrucutre data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	157 - 159
Pension Information - This schedule contains information regarding pension benefits funding progress.	160

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

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Table 1

CITY OF RICHARDSON, TEXAS

Statement of Net Position by Component*
Last Ten Fiscal Years
(In Thousands)
(unaudited)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Governmental activities:										
Net investment in capital assets	$ 302,916	$ 246,251	$ 258,618	$ 237,511	$ 215,347	$ 179,372	$ 156,267	$ 150,625	$ 110,728	$ 130,402
Restricted	110,021	110,895	61,655	30,114	20,174	16,090	13,653	9,692	26,607	10,682
Unrestricted	26,188	37,532	9,711	(189)	(22,904)	(15,973)	(30,919)	(31,515)	(23,077)	(19,160)
Total governmental activities net position	$ 439,125	$ 394,678	$ 329,984	$ 267,436	$ 212,617	$ 179,489	$ 139,001	$ 128,802	$ 114,258	$ 121,924
Business-type activities:										
Net investment in capital assets	$ 72,876	$ 60,776	$ 51,381	$ 54,163	$ 56,716	$ 57,032	$ 57,513	$ 57,169	$ 56,619	$ 55,464
Restricted	32,201	40,098	27,726	36,178	24,197	17,005	5,172	3,071	3,016	3,262
Unrestricted	28,133	26,518	34,374	10,894	5,971	8,630	14,243	15,512	12,823	12,427
Total business-type activities net position	$ 133,210	$ 127,392	$ 113,481	$ 101,235	$ 86,884	$ 82,667	$ 76,928	$ 75,752	$ 72,458	$ 71,153
Primary government:										
Net investment in capital assets	$ 375,792	$ 307,027	$ 309,999	$ 291,674	$ 272,063	$ 236,404	$ 213,780	$ 207,794	$ 167,347	$ 185,866
Restricted	142,222	150,993	89,381	66,292	44,371	33,095	18,825	12,763	29,623	13,944
Unrestricted	54,321	64,050	44,085	10,705	(16,933)	(7,343)	(16,676)	(16,003)	(10,254)	(6,733)
Total primary government net position	$ 572,335	$ 522,070	$ 443,465	$ 368,671	$ 299,501	$ 262,156	$ 215,929	$ 204,554	$ 186,716	$ 193,077

* The City implemented GASB Statement 75 in FY 2018. The amounts for fiscal year 2017 were restated for the effects of these standards in FY 2018.

CITY OF RICHARDSON, TEXAS

Changes in Net Position*
Last ten fiscal years
(In thousands)
(Accrual Basis of Accounting)
(unaudited)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Expenses:										
Governmental activities:										
General government	$ 70,133	$ 66,931	$ 55,626	$ 40,753	$ 45,672	$ 36,981	$ 50,473	$ 36,545	$ 60,771	$ 45,754
Public safety	79,481	75,592	73,276	58,295	62,940	61,902	61,285	56,951	56,883	54,796
Public services	44,741	42,872	38,986	38,960	36,151	33,526	37,633	30,921	32,108	34,955
Library	4,719	4,455	4,649	3,627	3,590	4,473	4,433	4,217	4,339	4,311
Parks and recreation	22,309	21,123	20,398	17,089	17,450	17,379	20,114	19,259	19,813	18,987
Public health	2,563	2,415	2,392	1,583	1,645	(2,043)	2,228	2,173	2,185	2,054
Interest and fiscal charges	16,144	12,047	11,405	12,399	12,319	12,386	14,417	12,984	11,136	9,524
Total governmental activities expenses	240,091	225,435	206,732	172,706	179,767	168,690	190,583	163,050	187,235	170,381
Business-type activities:										
Water and sewer	107,849	100,168	95,681	84,797	82,101	83,298	81,682	76,642	71,437	63,836
Solid waste	19,284	17,981	17,283	14,062	14,233	14,521	15,003	14,369	14,509	14,418
Total business-type activities expenses	127,133	118,149	112,964	98,859	96,334	97,819	96,685	91,011	85,946	78,254
Total primary government expenses	$ 367,224	$ 343,584	$ 319,696	$ 271,565	$ 276,101	$ 266,509	$ 287,268	$ 254,061	$ 273,181	$ 248,635
Program revenues:										
Governmental activities:										
Charges for services:										
General government	$ 15,643	$ 14,084	$ 3,058	$ 3,236	$ 1,911	$ 2,207	$ 6,266	$ 4,736	$ 6,025	$ 6,027
Public safety	7,944	8,263	7,327	6,967	9,438	8,154	8,872	7,977	7,867	9,421
Public services	7,554	6,520	6,715	5,418	5,975	5,610	5,887	5,947	6,940	10,200
Library	17	16	17	44	41	31	-	-	-	-
Parks and recreation	7,914	6,977	7,182	6,236	4,900	4,389	6,138	6,281	6,367	6,110
Public health	803	1,051	521	378	721	385	429	615	369	346
Operating grants and contributions	6,371	8,363	16,050	3,877	4,562	10,896	2,564	7,241	1,821	3,689
Capital grants and contributions	6,986	1,624	112	4,177	735	2,912	424	429	4,468	1,819
Total governmental activities program revenues	53,232	46,898	40,982	30,333	28,283	34,584	30,580	33,226	33,857	37,612
Business-type activities:										
Charges for services:										
Water and sewer	109,582	108,659	104,338	95,926	84,392	86,814	80,911	78,920	68,876	63,914
Solid waste	19,471	18,519	17,333	16,219	15,257	15,026	14,832	14,614	14,679	13,345
Operating grants and contributions	-	-	-	-	-	-	-	6	-	-
Cap grants and contributions-Water and sewer	-	-	627	967	613	603	1,046	1,974	3,416	4,032
Cap grants and contributions-Solid waste	-	-	-	-	-	-	-	-	41	-
Total business-type activities program revenues	129,053	127,178	122,298	113,112	100,262	102,443	96,789	95,514	87,012	81,291
Total primary government program revenues	$ 182,285	$ 174,076	$ 163,280	$ 143,445	$ 128,545	$ 137,027	$ 127,369	$ 128,740	$ 120,869	$ 118,903

(Continued)

CITY OF RICHARDSON, TEXAS

Changes in Net Position (Continued)
Last ten fiscal years
(In thousands)
(Accrual Basis of Accounting)
(unaudited)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Net (expense) revenue:										
Governmental activities	$ (186,858)	$ (178,537)	$ (165,750)	$ (142,373)	$ (151,484)	$ (134,106)	$ (160,003)	$ (129,824)	$ (153,378)	$ (132,769)
Business-type activities	1,921	9,029	9,334	14,253	3,928	4,624	104	4,503	1,066	3,037
Total primary government net expense	$ (184,937)	$ (169,508)	$ (156,416)	$ (128,120)	$ (147,556)	$ (129,482)	$ (159,899)	$ (125,321)	$ (152,312)	$ (129,732)
General revenues:										
Governmental activities:										
Taxes:										
Property	$ 134,730	$ 132,912	$ 125,456	$ 120,906	$ 118,829	$ 110,279	$ 103,685	$ 96,107	$ 87,312	$ 78,761
Sales	55,353	53,763	58,105	53,413	45,810	41,535	40,164	35,357	36,044	33,660
Other taxes	5,765	5,900	5,703	4,685	2,903	2,998	4,896	4,861	4,863	4,979
Franchise	20,255	19,462	19,287	17,975	16,601	17,184	17,331	17,415	16,446	16,058
Unrestricted interest earnings (temporary loss)	14,925	17,473	12,484	141	305	2,769	4,025	2,324	724	399
Insurance and other recoveries	183	14,222	7,784	-	-	-	-	-	-	-
Transfers	-	(570)	-	-	-	(206)	(196)	(250)	-	-
Gain on sale of assets	96	69	(525)	55	160	33	97	727	323	69
Contributions to permanent fund principal	-	-	2	14	1	1	200	-	-	-
Total governmental activities	231,307	243,231	228,296	197,189	184,609	174,593	170,202	156,541	145,712	133,926
Business-type activities:										
Unrestricted interest earnings (temporary loss)	3,643	4,247	2,804	(52)	68	683	774	458	164	109
Insurance and other recoveries	20	-	-	-	-	-	-	-	-	-
Transfers	-	570	-	-	-	206	196	250	-	-
Gain on sale of assets	234	65	107	150	222	225	103	241	74	80
Total business-type activities	3,897	4,882	2,911	98	290	1,114	1,073	949	238	189
Total primary government	$ 235,204	$ 248,113	$ 231,207	$ 197,287	$ 184,899	$ 175,707	$ 171,275	$ 157,490	$ 145,950	$ 134,115
Change in net position:										
Governmental activities	$ 44,447	$ 64,695	$ 62,546	$ 54,816	$ 33,125	$ 40,487	$ 10,199	$ 26,717	$ (7,666)	$ 1,157
Business-type activities	5,818	13,911	12,245	14,351	4,218	5,738	1,177	5,452	1,304	3,226
Total primary government	$ 50,265	$ 78,606	$ 74,791	$ 69,167	$ 37,343	$ 46,225	$ 11,376	$ 32,169	$ (6,362)	$ 4,383

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CITY OF RICHARDSON, TEXAS

Fund Balances, Governmental Funds
Last Ten Fiscal Years (In Thousands)
(unaudited)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General Fund:										
Nonspendable	$ 577	$ 529	$ 651	$ 688	$ 697	$ 515	$ 552	$ 595	$ 666	$ 720
Assigned	528	1,236	997	1,456	847	13,696	4,541	532	598	634
Unassigned	45,850	44,410	42,701	39,193	38,814	30,836	27,856	23,858	21,612	19,788
Total general fund	$ 46,955	$ 46,175	$ 44,349	$ 41,337	$ 40,358	$ 45,047	$ 32,949	$ 24,985	$ 22,876	$ 21,142
All other governmental funds:										
Nonspendable:										
Property held for redevelopment and resale	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 274	$ 274
Prepaid items	29	110	69	23	9	2	61	83	62	65
Inventory	205	206	-	-	-	-	-	-	-	-
Permanent fund principal	250	251	237	216	202	201	200	-	-	-
Restricted for:										
Debt service	4,511	3,630	3,899	3,815	6,281	3,328	3,192	3,083	2,794	2,653
Library	-	-	-	-	1,035	-	-	172	-	89
Parks and recreation projects	4,059	1,343	11,330	132	1,883	2,668	-	5,371	836	471
Public services	117,162	41,990	34,248	56,441	39,000	15,631	16,359	27,683	18,978	4,800
Capital projects	7,898	84,747	53,257	4,356	-	1,481	-	1,955	1,379	1,226
General government	26,056	39,968	38,480	16,511	27,351	12,021	8,380	6,164	4,432	3,921
Health/animal shelter	-	-	-	-	-	-	-	26	-	68
Public safety	5,360	1,648	1,695	2,435	5,749	32,704	49,119	44,232	26,187	3,726
Committed for:										
General government	7,847	7,113	5,496	4,609	4,179	4,370	3,716	2,734	1,873	1,211
Public services	4,098	4,367	3,240	2,028	3,898	4,128	4,027	4,357	3,208	2,557
Parks and recreation	612	703	1,104	559	1,437	448	219	164	195	107
Assigned for:										
Public services	29,256	18,620	15,561	20,505	22,999	5,534	1,255	1,255	1,553	2,457
Public safety	779	504	817	1,139	1,719	367	-	-	-	3
Library	502	-	-	36	398	-	-	-	-	-
Parks and recreation	2,069	2,338	1,756	2,704	4,357	2,500	67	77	83	767
Health	-	-	-	44	-	-	-	-	-	-
Capital projects	26,605	41,635	52,309	27,180	4,153	6,927	9,465	9,359	6,012	7,630
General government	25,977	27,232	10,781	8,274	6,771	4,776	3,625	3,770	3,026	3,179
Unassigned:	-	-	-	(62)	(136)	(2)	-	-	-	-
Total all other governmental funds	$ 263,275	$ 276,405	$ 234,279	$ 150,945	$ 131,285	$ 97,084	$ 99,685	$ 110,485	$ 70,892	$ 35,204

CITY OF RICHARDSON, TEXAS

Changes in Fund Balances, Governmental Funds
Last ten fiscal years
(In thousands)
(unaudited)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Revenues:										
Property taxes	$ 136,434	$ 132,736	$ 125,235	$ 120,871	$ 118,421	$ 110,508	$ 103,706	$ 95,825	$ 87,317	$ 78,762
Franchise taxes	20,255	19,462	19,287	17,975	16,601	17,184	17,331	17,416	16,446	16,058
Sales tax	55,353	53,763	58,105	53,413	45,810	41,535	40,164	35,357	36,044	33,660
Mixed beverage and bingo tax	817	811	789	729	607	545	651	616	587	543
Hotel/motel taxes	4,948	5,089	4,915	3,956	2,296	2,453	4,245	4,245	4,276	4,436
Drainage fees	3,977	3,222	3,228	2,889	2,891	2,842	2,817	2,765	2,754	2,755
911 revenue	1,172	1,187	1,231	1,352	1,317	1,361	1,655	1,656	1,727	1,727
Intergovernmental										
Intergovernmental revenue	13,443	11,142	16,630	7,121	6,794	13,513	3,761	3,905	4,034	4,927
Licenses and permits	3,841	3,427	3,112	2,630	3,166	2,766	3,168	2,890	4,253	4,638
Fines and forfeitures	1,901	1,986	2,016	2,002	3,572	3,102	3,560	3,493	3,461	5,042
Interest revenue (temporary loss)	15,478	19,772	12,148	216	273	2,543	3,774	2,200	685	375
Civic center use	-	-	-	-	-	121	355	249	268	315
Eisemann center revenue	3,340	2,954	2,687	2,040	506	1,125	2,423	2,324	2,543	2,232
Recreation and leisure	7,843	6,806	7,159	6,101	4,827	4,341	6,094	6,227	6,336	6,064
Public safety	3,909	3,726	3,970	3,250	2,744	3,565	3,468	2,631	2,636	2,602
Contributions	145	219	73	85	65	171	565	431	194	261
Participation	-	-	-	-	433	365	38	52	-	405
Other	2,436	1,010	1,055	944	914	865	821	1,282	1,399	1,644
General administration	11,786	10,144	9,558	8,608	8,404	8,300	8,309	8,010	7,955	8,054
Total revenues	$ 287,078	$ 277,456	$ 271,198	$ 234,182	$ 219,641	$ 217,205	$ 206,905	$ 191,574	$ 182,915	$ 174,500
Expenditures:										
General government	59,816	58,169	52,342	45,444	48,376	37,940	50,860	37,209	60,986	45,649
Public safety	71,587	71,378	63,121	59,387	56,728	56,362	54,259	51,800	49,976	47,917
Public services	32,040	29,281	27,339	29,738	26,822	23,680	26,627	21,119	22,136	25,288
Library	4,256	4,417	4,026	3,766	3,467	4,067	3,872	3,836	3,754	3,640
Parks and recreation	18,464	17,807	16,087	15,467	14,622	13,744	15,166	15,179	15,443	14,339
Public health	2,409	2,387	2,120	1,844	1,754	1,878	2,015	2,030	1,982	1,863
General administration	1,594	1,353	1,318	1,400	1,111	1,108	1,106	1,082	1,058	2,013
Capital outlay	121,527	78,960	64,412	37,655	35,277	44,637	62,652	48,420	29,967	28,386
Debt service:										
Principal retirement	37,625	35,020	34,830	35,815	28,830	29,525	27,490	26,685	24,614	19,860
Interest and fiscal charges	18,426	16,845	13,311	12,764	13,920	14,413	14,911	12,478	10,950	11,316
Payments for other obligations	7,585	6,962	4,785	5,666	5,583	4,812	5,258	4,838	2,954	2,584
Issuance costs	594	595	682	233	372	493	394	564	509	342
Total expenditures	$ 375,923	$ 323,174	$ 284,373	$ 249,179	$ 236,862	$ 232,659	$ 264,610	$ 225,240	$ 224,329	$ 203,197
Deficiency of revenues under expenditures	(88,845)	(45,718)	(13,175)	(14,997)	(17,221)	(15,454)	(57,705)	(33,666)	(41,414)	(28,697)

(Continued)

Table 4

CITY OF RICHARDSON, TEXAS
Changes in Fund Balances, Governmental Funds
Last ten years fiscal years
(continued)
(In thousands)
(unaudited)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Other financing sources (uses):										
Transfers in	$ 24,665	$ 21,459	$ 31,336	$ 30,212	$ 30,872	$ 14,857	$ 10,476	$ 9,961	$ 9,610	$ 10,011
Transfers out	(26,665)	(22,028)	(31,336)	(30,212)	(30,872)	(14,857)	(10,476)	(9,961)	(9,610)	(10,011)
Issuance of certificates of obligation	8,405	5,213	33,580	1,305	18,610	6,055	20,990	26,290	30,930	4,045
Issuance of general obligation bonds	61,310	62,915	43,885	28,915	12,630	15,015	16,790	38,525	19,725	8,265
Issuance of refunding bonds	-	-	-	-	-	40,425	-	-	-	14,020
Issuance of other obligations	5,364	1,701	5,982	3,354	12,855	2,076	14,498	5,667	26,042	22,252
Premium/discount on bonds	2,991	5,498	7,541	1,111	2,181	9,137	1,866	3,946	1,660	2,720
Payment to refunded bond escrow agent	-	-	-	-	-	(48,241)	-	-	-	(15,904)
Other financing uses - liability extinguishment	(428)	-	-	-	-	-	-	-	-	-
Insurance and other recoveries	364	14,843	7,791	886	231	310	598	182	137	2,459
Proceeds from sale of capital assets	489	70	744	64	226	174	127	758	342	74
Total other financing sources	76,495	89,671	99,523	35,635	46,733	24,951	54,869	75,368	78,836	37,931
Net change in fund balances	$ (12,350)	$ 43,953	$ 86,348	$ 20,638	$ 29,512	$ 9,497	$ (2,836)	$ 41,702	$ 37,422	$ 9,234
Debt service as a percentage of non-capital expenditures	22.03 %	21.24 %	21.89 %	22.97 %	21.21 %	23.37 %	20.99 %	22.15 %	18.30 %	17.83 %

Table 5

CITY OF RICHARDSON, TEXAS

Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(unaudited)

Fiscal year ended September 30	Residential Property	Commercial Property	Industrial Property	Less Total Exemptions/ Reductions	Total Taxable Assessed Value [1]	Total Direct Tax Rate
2025	$ 12,692,453,418	$ 18,685,068,090	$ 1,504,723,254	$ 9,349,701,059	$ 23,532,543,703	0.54218
2024	11,539,731,596	17,258,880,895	1,523,269,547	8,724,423,137	21,597,458,901	0.56095
2023	10,349,941,255	15,695,227,208	540,483,940	6,794,637,052	19,791,015,351	0.56095
2022	9,048,103,417	13,412,313,024	539,281,873	5,306,504,226	17,693,194,088	0.61516
2021	8,601,187,678	12,826,442,876	555,893,645	5,366,562,279	16,616,961,920	0.62516
2020	8,480,364,539	12,298,386,470	860,767,880	5,363,499,560	16,276,019,329	0.62516
2019	8,097,909,289	11,047,973,089	906,275,735	4,878,398,254	15,173,759,859	0.62516
2018	7,194,755,916	10,509,751,876	790,424,823	4,410,302,957	14,084,629,658	0.62516
2017	6,565,413,521	9,497,512,380	754,632,663	3,818,620,376	12,998,938,188	0.62516
2016	5,742,269,842	8,281,055,896	748,742,290	3,231,115,761	11,540,952,267	0.63516

Source: Dallas and Collin County Central Appraisal District, and the City's records.

(1) Net of Tax Increment Financing (TIF) Districts values and values in dispute at the time of certification.

Table 6

CITY OF RICHARDSON, TEXAS

Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(Per $100 of Assessed Value)
(unaudited)

	City Direct Rates			Overlapping Rates								
Fiscal year	Operations and Maintenance Rate	Interest and Sinking Rate	Total	Richardson ISD	Collin County	Collin College	Plano ISD	Garland ISD	Dallas County	Dallas County Hospital District	Dallas College	Dallas County School Equalization Fund
2025	$ 0.324390	$ 0.217790	$ 0.542180	$ 1.105200	$ 0.149343	$ 0.081220	$ 1.039550	$ 1.050900	$ 0.021550	$ 0.212000	$ 0.105595	$ -
2024	0.343160	0.217790	0.560950	1.143100	0.149343	0.081220	1.077850	1.053200	0.215718	0.219500	0.110028	-
2023	0.343160	0.217790	0.560950	1.314600	0.152443	0.081220	1.259750	1.172500	0.217946	0.235800	0.115899	0.010000
2022	0.377200	0.237950	0.615150	1.390900	0.168070	0.081220	1.320750	1.256300	0.227946	0.255000	0.123510	0.010000
2021	0.381240	0.243920	0.625160	1.404700	0.172531	0.124000	1.323750	1.256300	0.239740	0.266100	0.124000	0.010000
2020	0.381240	0.243920	0.625160	1.418350	0.174951	0.081222	1.337350	1.390000	0.243100	0.269500	0.124000	0.010000
2019	0.374130	0.251030	0.625160	1.520000	0.180785	0.081222	1.439000	1.460000	0.243100	0.279400	0.124000	0.010000
2018	0.370310	0.254850	0.625160	1.390050	0.192246	0.079810	1.439000	1.460000	0.243100	0.279400	0.124238	0.010000
2017	0.370310	0.254850	0.625160	1.390050	0.208395	0.081222	1.439000	1.460000	0.243100	0.279400	0.122933	0.010000
2016	0.380310	0.254850	0.635160	1.340050	0.225000	0.081960	1.439000	1.353300	0.243100	0.286000	0.123650	0.010000

Source: Dallas County Central Appraisal District, Collin County Central Appraisal District, and the City's records.
Notes: Tax rates are per $100 of assessed value.

CITY OF RICHARDSON, TEXAS
Principal Property Taxpayers
Current Year and Nine Years Ago
(unaudited)

	2025			2016		
Name of Taxpayer	**Taxable Assessed Value** [1]	**Rank**	**Percentage of Total City Taxable Assessed Value** [2]	**Taxable Assessed Value** [1]	**Rank**	**Percentage of Total City Taxable Assessed Value** [3]
Texas Instruments	$ 1,087,591,293	1	4.22 %	$ -		- %
Collins Technology Park Partners	529,647,900	2	2.06	209,353,330	4	1.71
Bank of America	505,187,987	3	1.96	262,034,089	2	2.14
JFSF Edgewood 1-3 LLC	427,854,528	4	1.66	-		-
Linkedin Corp	409,859,450	5	1.59	-	-	-
Qorvo	358,825,540	6	1.39	-	-	-
Health Care Service Corporation	348,410,057	7	1.35	131,909,222	6	1.08
Verizon	281,122,171	8	1.09	141,525,979	5	1.16
Design LLC	277,782,474	9	1.08	-		-
Cisco System Sales & Service	219,284,686	10	0.85	220,742,881	3	1.80
KDC	-	-	-	371,840,234	1	3.04
AT&T (Southwestern Bell/SBC)	-	-	-	115,193,190	7	0.94
Galatyn Parent LP	-	-	-	108,875,000	8	0.89
IBM	-		-	96,414,500	9	0.79
JP Palisades	-	-	-	95,665,613	10	0.78
Total	$ 4,445,566,086		17.25 %	$ 1,753,554,038		14.33 %

Source: Dallas County Central Appraisal District, Collin County Central Appraisal District, and City records.

Note:

(1) Includes TIF values

(2) Total Taxable Value (includes TIF values) October 1, 2024 = $25,754,262,936

(3) Total Taxable Value (includes TIF values) October 1, 2015 = $12,248,037,292

(4) Corporate Properties Trust aquired KDC in November 2016.

Table 8

CITY OF RICHARDSON, TEXAS
Property Taxes Levies and Collections
Last Ten Fiscal Years
(unaudited)

				Collected Within the Fiscal Year of the Levy			Total Collections to Date	
Fiscal year ended September 30	Taxes Levied for the Fiscal Year [1]	Subsequent Adjustments & Subsequent Collections	Total Adjusted Levy	Amount	Percentage of Taxes Levied for the Fiscal Year	Collections in Subsequent Years	Amount	Percentage of Adjusted Levy
2025	$ 138,908,426	$ -	$ 138,908,426	$ 138,212,685	99.50 %	$ -	$ 138,212,685	99.50 %
2024	136,056,858	(1,153,594)	134,903,264	135,340,947	99.47	(799,096)	134,541,851	99.73
2023	127,160,708	(1,242,140)	125,918,568	126,579,216	99.54	(990,974)	125,588,242	99.74
2022	122,716,964	(383,439)	122,333,525	122,238,084	99.61	(106,111)	122,131,973	99.84
2021	121,211,637	(555,996)	120,655,641	120,738,397	99.61	(310,943)	120,427,454	99.81
2020	113,980,138	(737,736)	113,242,402	113,752,271	99.80	(690,734)	113,061,537	99.84
2019	106,052,791	(613,947)	105,438,844	105,475,738	99.46	(193,017)	105,282,721	99.85
2018	97,013,107	(651,758)	96,361,349	96,535,083	99.51	(303,506)	96,231,577	99.87
2017	87,404,711	(114,627)	87,290,084	87,087,236	99.64	95,989	87,183,225	99.88
2016	78,509,994	(208,482)	78,301,512	78,176,975	99.58	40,359	78,217,334	99.89

(1) Taxes levied for the fiscal year include the certified roll plus any adjustments that occur in the fiscal year that the taxes are due.

Source: Dallas and Collin County Tax Offices, and the City's records.

Table 9

CITY OF RICHARDSON, TEXAS

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(unaudited)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
GOVERNMENTAL ACTIVITIES										
General obligation bonds	$ 259,025,000	$ 224,310,000	$ 186,655,000	$ 167,815,000	$ 152,665,000	$ 156,265,000	$ 181,100,000	$ 181,910,000	$ 159,740,000	$ 154,310,000
General obligation bonds from direct borrowings	1,275,000	1,935,000	2,285,000	4,445,000	15,015,000	15,015,000	-	-	-	639,412
Certificates of obligation [1]	98,105,000	98,150,000	99,805,000	73,585,000	80,635,000	68,615,000	71,610,000	55,915,000	36,510,000	19,710,000
Certificates of obligation from direct borrowings [1]	-	-	-	-	2,875,000	8,885,000	13,435,000	18,030,000	21,475,000	17,025,000
Unamortized premium/(discount)	26,827,136	26,794,045	24,194,872	19,340,476	20,836,143	21,165,144	18,212,785	18,389,067	16,341,255	16,398,001
Total general obligation bonds and general obligation bonds from direct borrowings	385,232,136	351,189,045	312,939,872	265,185,476	272,026,143	269,945,144	284,357,785	274,244,067	234,066,255	208,082,413
TIF obligation [2]	78,406,846	82,458,544	86,775,295	90,625,573	94,838,897	92,983,493	97,049,085	87,571,447	86,132,860	62,451,680
Tax Notes	-	1,920,000	5,340,000	5,605,000	5,855,000	-	-	-	-	-
Lease obligation	2,833,245	3,751,993	6,021,634	2,041,850	-	-	-	-	-	-
SBITA obligation	8,960,763	6,147,064	6,048,098	-	-	-	-	-	-	-
Other obligations	763,836	1,117,665	1,503,014	1,934,383	2,006,319	2,444,931	1,115,324	1,352,943	1,962,228	2,554,995
Total TIF and other obligations	90,964,690	95,395,266	105,688,041	100,206,806	102,700,216	95,428,424	98,164,409	88,924,390	88,095,088	65,006,675
Total governmental activities	$ 476,196,826	$ 446,584,311	$ 418,627,913	$ 365,392,282	$ 374,726,359	$ 365,373,568	$ 382,522,194	$ 363,168,457	$ 322,161,343	$ 273,089,088

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) In FY 2019, this table was restated to separate out direct borrowings from debt in accordance with GASB 88. There was no change in the total outstanding debt amounts.

(2) Tax increment financing (TIF) is used to finance public improvements within defined areas for economic development. The developer incurs the costs to install the necessary public infrastructure and other public improvements. The City reimburses the developer based on the increased tax increments within the TIF boundaries over the contracted period. The City's liability to the developer lasts until paid in full or expiration of TIF zone contract.

(Continued)

CITY OF RICHARDSON, TEXAS
Ratios of Outstanding Debt by Type (1)
Last ten fiscal years
(Unaudited)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
BUSINESS-TYPE ACTIVITIES										
General obligation refunding bonds [1]	$ 5,615,000	$ 7,850,000	$ 10,165,000	$ 12,660,000	$ 15,720,000	$ 16,900,000	$ 13,490,000	$ 16,480,000	$ 19,095,000	$ 21,495,000
General obligation bonds from direct borrowings [1]	-	-	-	-	-	-	-	-	-	70,588
Certificates of obligation	94,895,000	81,410,000	70,240,000	58,330,000	47,600,000	38,130,000	39,835,000	32,860,000	28,275,000	25,680,000
Unamortized premium/(discount)	8,620,925	8,200,465	7,810,811	6,694,430	6,671,905	5,709,171	3,616,732	3,414,645	3,189,744	3,261,227
Total general obligation bonds and general obligation bonds from direct borrowings	$ 109,130,925	$ 97,460,465	$ 88,215,811	$ 77,684,430	$ 69,991,905	$ 60,739,171	$ 56,941,732	$ 52,754,645	$ 50,559,744	$ 50,506,815
Lease obligation	75,190	59,697	148,356	-	-	-	-	-	-	-
SBITA obligation	82,053	161,261	-	-	-	-	-	-	-	-
Total other obligations	157,243	220,958	148,356	-	-	-	-	-	-	-
Total business-type activities	$ 109,288,168	$ 97,681,423	$ 88,364,167	$ 77,684,430	$ 69,991,905	$ 60,739,171	$ 56,941,732	$ 52,754,645	$ 50,559,744	$ 50,506,815
Total primary government	$ 585,484,993	$ 544,265,734	$ 506,992,080	$ 443,076,712	$ 444,718,264	$ 426,112,739	$ 439,463,926	$ 415,923,102	$ 372,721,087	$ 323,595,903
% of personal income [3]	10.2 %	10.7 %	10.5 %	11.2 %	10.9 %	9.4 %	10.9 %	10.9 %	10.0 %	9.0 %
Per capita [3]	$ 4,770	$ 4,435	$ 4,134	$ 3,598	$ 3,722	$ 3,685	$ 3,865	$ 3,776	$ 3,470	$ 3,103

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) In FY 2019, this table was restated to separate out direct borrowings from debt in accordance with GASB 88. There was no change in the total outstanding debt amounts.

(3) See Table 13 for personal income and population data.

Table 10

CITY OF RICHARDSON, TEXAS

Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(unaudited)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
GOVERNMENTAL ACTIVITIES										
General obligation bonds	$ 259,025,000	$ 224,310,000	$ 186,655,000	$ 167,815,000	$ 152,665,000	$ 156,265,000	$ 181,100,000	$ 181,910,000	$ 159,740,000	$ 154,310,000
General obligation bonds from direct borrowings	1,275,000	1,935,000	2,285,000	4,445,000	15,015,000	15,015,000	-	-	-	639,412
Certificates of obligation [1]	98,105,000	98,150,000	99,805,000	73,585,000	80,635,000	68,615,000	71,610,000	55,915,000	36,510,000	19,710,000
Certificates of obligation from direct borrowings [1]	-	-	-	-	2,875,000	8,885,000	13,435,000	18,030,000	21,475,000	17,025,000
Unamortized premium/(discount)	26,827,136	26,794,045	24,194,872	19,340,476	20,836,143	21,165,144	18,212,785	18,389,067	16,341,255	16,398,001
Total general obligation bonds and general obligation bonds from direct borrowings	385,232,136	351,189,045	312,939,872	265,185,476	272,026,143	269,945,144	284,357,785	274,244,067	234,066,255	208,082,413
BUSINESS-TYPE ACTIVITIES										
General obligation refunding bonds [1]	5,615,000	7,850,000	10,165,000	12,660,000	15,720,000	16,900,000	13,490,000	16,480,000	19,095,000	21,495,000
General obligations bonds from direct borrowings [1]	-	-	-	-	-	-	-	-	-	70,588
Certificates of obligation	94,895,000	81,410,000	70,240,000	58,330,000	47,600,000	38,130,000	39,835,000	32,680,000	28,275,000	25,680,000
Unamortized premium/(discount)	8,620,925	8,200,465	7,810,811	6,694,430	6,671,905	5,709,171	3,616,732	3,414,645	3,189,744	3,261,227
Total general obligation bonds and certificates of obligation [1]	109,130,925	97,460,465	88,215,811	77,684,430	69,991,905	60,739,171	56,941,732	52,574,645	50,559,744	50,506,815
Total primary government	$ 494,363,061	$ 448,649,510	$ 401,155,683	$ 342,869,906	$ 342,018,048	$ 330,684,315	$ 341,299,517	$ 326,818,712	$ 284,625,999	$ 258,589,228
% of actual taxable value of property	2.1 %	2.1 %	2.0 %	1.9 %	2.1 %	2.0 %	2.2 %	2.3 %	2.1 %	2.2 %
Per capita	$ 4,028	$ 3,657	$ 3,272	$ 2,797	$ 2,863	$ 2,860	$ 3,001	$ 2,967	$ 2,650	$ 2,479

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) .In FY 2019, this table was restated to separate out direct borrowings from debt in accordance with GASB 88. There was no change in the total outstanding debt amounts.

(2) See table 5 for property value data

CITY OF RICHARDSON, TEXAS
Direct and Overlapping Governmental Activities Debt
September 30, 2025
(unaudited)

Government unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt	
Debt Repaid With Property Taxes:				
Richardson Independent School District	$ 955,960,000	36.40 %	$ 347,969,440	
Plano Independent School District	1,409,280,000	15.79	222,525,312	
Dallas County	179,530,000	3.23	5,798,819	
Dallas County Hospital District	247,115,000	3.23	7,981,815	
Dallas College	511,285,000	3.23	16,514,506	
Garland Independent School District	977,345,000	0.04	390,938	
Collin County	982,755,000	5.22	51,299,811	
Collin County Community College District	438,250,000	5.22	22,876,650	
Subtotal, Overlapping Debt			675,357,291	
City Direct Debt			476,196,826	(2)
Total Direct and Overlapping Funded Debt			$ 1,151,554,117	

(1) Estimated percentage applicable to the City is calculated by taking each entity's taxable values within the City and dividing by the total taxable value for that entity.

(2) Includes unamortized premium and discounts of $26,827,136 and tax notes, financed purchases and other contractual obligations, lease obligations, SBITA obligations, and TIF obligations of $90,964,690. Amounts for other governmental units only include the value of bonded debt outstanding.

Source: Hilltop Securities Inc.

CITY OF RICHARDSON, TEXAS
Legal Debt Margin Information
Last Ten Fiscal Years
(unaudited)

Year	Debt Limit	Total Net Debt Applicable to Limit [1]	Legal Debt Margin	Estimated Share of Overlapping Debt
2025	$ N/A	$ N/A	$ N/A	N/A%
2024	N/A	N/A	N/A	N/A
2023	N/A	N/A	N/A	N/A
2022	N/A	N/A	N/A	N/A
2021	N/A	N/A	N/A	N/A
2020	N/A	N/A	N/A	N/A
2019	N/A	N/A	N/A	N/A
2018 [2]	N/A	N/A	N/A	N/A
2017	N/A	N/A	N/A	N/A
2016	1,493,821,784	214,000,450	1,279,821,334	14.33

(1) Does not include premiums, discounts or other obligations as these amounts do not apply to the City's debt limit.

(2) As of November 2015 (FY2016) the City's Charter was amended to include a Tax Rate Limitation that stipulates that the City may borrow money for permanent public improvements or any other legitimate purpose as may be determined by the City Council, in accordance with the Constitution and the laws of the State of Texas. The Constitution places a limit on the ad valorem tax rate that may be levied for repayment of the ad valorem tax debt, but there is no formal limit on the amount of ad valorem debt that may be borrowed. Prior to the 2015 charter election, the City's limit was equal to 15 percent of the assessed value of the tax roll.

CITY OF RICHARDSON, TEXAS
Demographic and Economic Statistics
Last Ten Calendar Years
(unaudited)

Calendar Year	Estimated Population[1]	Personal Income (thousands of dollars)	Per Capita Personal income [2]	Median Age [2]	School Enrollment R.I.S.D.[3]	School Enrollment P.I.S.D.[4]	Unemployment Rate (%) [5]
2025	122,745	$ 5,958,101	$ 50,398	34.0	36,971	46,551	3.6 %
2024	122,678	5,832,000	47,539	34.5	36,224	52,629	3.6
2023	122,615	5,309,843	43,305	35.0	37,260	49,035	3.0
2022	122,574	4,952,809	40,406	35.1	37,633	49,055	3.0
2021	120,640	4,828,698	40,026	35.6	38,787	50,405	3.8
2020	119,469	4,828,698	34,637	35.6	39,619	53,952	3.5
2019	113,710	4,046,256	35,584	37.6	39,103	53,085	3.2
2018	110,140	3,814,919	34,637	37.6	39,314	53,952	3.5
2017	110,740	3,720,014	34,637	37.6	39,272	53,952	3.0
2016	104,300	3,612,639	34,637	37.6	38,792	54,818	3.7

Sources:

(1) NCTCOG as of April for each year. 2021 and 2022 population numbers previously from US Census Bureau are updated to show NCTCOG's revised estimates. 2024 population from US Census website, not including NCTCOG revised estimates.

(2) Information regarding 2016-2025 was compiled from the Richardson Economic Development Partnership. Data for 2025 is compiled from the Richardson Economic Development Department. 2021 and 2022 per capita personal income recalculated to incorporate NCTCOG's revised population estimates. Per capita personal income and Meidan Age from JobsEQ and Bureau of Labor Statistics. 2025 Employment rate from US Bureau of Labor Statistics and Census.

(3) School Enrollment - Richardson Independent School District (district-wide, not limited to Richardson residents). Approximately 36% of RISD is within the City of Richardson.

(4) School Enrollment - Plano Independent School District (district-wide, not limited to Richardson residents).Approximately 15% of PISD is within the City of Richardson.

(5) Unemployment - Texas Workforce Commission Website.

Note: The City of Richardson is located in both Dallas and Collin Counties. School children residing in Dallas County are enrolled in the Richardson Independent School District while those residing in Collin County are enrolled in the Plano Independent School District.

Table 14

CITY OF RICHARDSON, TEXAS
Principal Employers
Current Year and Nine Years Ago
(unaudited)

	2025			2016		
Employer	**Employees** [1]	**Rank**	**Percentage of Total City Employment** [2]	**Employees** [3]	**Rank**	**Percentage of Total City Employment** [4]
State Farm Insurance	14,000	1	11.06 %	8,000	1	7.40 %
RISD	5,600	2	4.42	2,500	5	2.31
Blue Cross & Blue Shield of Texas	5,300	3	4.19	3,100	3	2.87
University of Texas Dallas	3,971	4	3.14	2,674	4	2.47
Geico	3,000	5	2.37	1,800	9	1.67
RTX (Raytheon, Collins Aerospace)	3,000	6	2.37	2,000	7	1.85
Methodist Richardson Medical Center (Renner and Campbell Campus)	2,200	7	1.74	-		-
Cisco Systems	2,000	8	1.58	-		1.30
AT&T	1,600	9	1.26	5,000	2	4.63
Texas Instruments	1,400	10	1.11	-		-
RealPage	-		-	2,100	6	1.94
Fujitsu Network Communications	-		-	2,000	8	1.85
United Healthcare	-		-	1,700	10	1.57
Total	42,071		33.24 %	30,874		29.86 %

Source:

(1) Richardson Economic Development Department as of January 2025.

(2) 2016 information compiled from the Richardson Economic Development Partnership. The Richardson Economic Development Department totaled city employment at 126,524 as of December, 2024. (Source: JobsEQ; Bureau of Labor Statistics).

(3) Richardson Economic Development Partnership as of September, 2015.

(4) NCTCOG as of September, 2015 total city employment was approximately 136,030.

(5) RISD Employment number is district-wide as of January 2024.

Table 15

CITY OF RICHARDSON, TEXAS
Full-Time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years
(unaudited)

Function/program	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General government	181	166	160	158	179	159	168	165	152	153
Public safety	457	457	448	449	432	433	432	432	428	419
Public services	158	159	155	164	165	163	148	141	156	156
Library	30	30	30	30	29	30	30	30	30	30
Parks and recreation	93	92	92	92	100	101	101	101	95	95
Public health	21	21	21	21	19	18	18	18	18	18
Water	64	69	68	64	68	76	73	72	70	70
Wastewater	16	16	16	12	12	12	15	14	14	12
Solid waste	74	69	71	70	73	71	71	71	71	71
Total	1,094	1,079	1,061	1,060	1,077	1,063	1,056	1,044	1,034	1,024

Source: City Budget Office.

CITY OF RICHARDSON, TEXAS
Operating Indicators by Function/Program
Last Ten Fiscal Years
(unaudited)

Function/program	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Public safety:										
Police: Number of employees	269	270	270	267	241	268	267	267	263	258
Fire: Number of employees	184	184	175	165	169	165	165	166	165	161
Municipal court:										
Number of violations (citations)	12,044	12,083	12,903	14,558	26,985	27,272	37,242	36,269	31,338	32,313
Public services:										
Asphalt repairs (tons)	898	1,112	790	900	900	548	897	718	775	662
Concrete replacement (yards)	1,156	1,515	1,343	1,364	1,560	1,804	1,743	2,234	2,359	2,382
Parks and recreation: Acreage [1]	1,099	1,099	1,099	900	900	900	900	900	900	873
Library: Volumes in collection [2]	252,260	237,454	287,390	276,965	280,183	275,138	260,881	255,904	256,620	252,789
Water and sewer:										
Number of water consumers	33,583	33,655	33,744	33,627	33,617	33,532	33,549	33,424	33,427	33,249
Average daily water consumption (thousands of gallons)	27,205	27,664	29,276	25,984	22,579	23,372	22,773	24,203	22,522	21,920
Number of sewer consumers	30,134	30,167	30,227	30,144	30,170	30,119	30,121	30,016	29,983	29,869
Solid waste:										
Residential refuse collected (tons/day)	142	143	132	135	131	133	140	132	151	163
Bulky/brush pickups (tons/day) [3]	17	16	21	24	30	34	34	23	24	37
Recyclables collected (tons/day)	16	17	17	19	20	20	20	20	19	27
Golf: Number of rounds played	96,765	69,160	97,406	94,499	93,352	9,568	74,577	72,451	74,355	68,823

(1) In FY 2023, a Parks, Recreation and Open Space Master Plan was updated that reassessed acreage.
(2) For FY 2024, library downsized when moved to temporary City Hall space.
(3) In FY 2024, bulky/brush pickups lower due to contracted services to pick up storm debris.
Source: City Departments

CITY OF RICHARDSON, TEXAS
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years
(unaudited)

Function/program	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Public safety:										
Police stations	2	2	2	2	2	2	2	2	2	-
Police patrol units	50	50	49	45	48	48	48	45	43	43
Volunteer patrol units	2	2	2	2	3	3	3	3	3	3
Fire stations	6	6	6	6	6	6	6	6	6	6
Public works:										
Streets - paved (miles)[3]	593	593	593	593	592	592	591	591	590	590
Alleys - paved (miles)	223	223	223	223	223	223	223	223	223	223
Sidewalks (miles)	869	819	734	706	703	703	697	696	68	680
Streetlights[1]	8,037	8,037	8,353	6,301	6,301	6,301	6,301	6,301	6,301	6,301
Parks and recreation:										
Parks	42	42	39	39	38	38	38	38	38	36
Playgrounds	33	33	32	32	32	32	32	32	32	31
Swimming pools	5	5	5	5	5	5	5	5	5	5
Tennis courts	30	30	30	32	32	32	32	32	32	32
Recreation centers	2	2	2	2	2	2	2	2	2	2
Senior center	1	1	1	1	1	1	1	1	1	1
Water:										
Water mains (miles)	584	584	580	580	578	545	585	585	585	585
Fire hydrants	4,909	4,879	4,830	4,808	4,778	4,688	4,666	4,630	4,609	4,522
Wastewater:										
Sanitary sewers (miles)[2]	436	436	435	427	425	417	503	503	503	503

(1) Starting FY 2023, Streetlight totals include lighting within tunnels and Oncor lighting.

(2) FY 2021, the wastewater sanitary sewer miles reported were restated to exclude abandoned lines.

(3) FY 2025, the Streets - paved (miles) total was adjusted to exclude NTTA and TxDOT owned roads and only report City of Richardson-owned and private roads.

Source: City Departments

CITY OF RICHARDSON, TEXAS

Schedule of Pension Benefits Funding Progress [1]

Last Ten Fiscal Years

(unaudited)

		(a)	(b)	(c)	(d)		(e)	
Actuarial valuation date	Fiscal Year	Actuarial Value of Assets	Actuarial Accrued Liabilty (AAL)	Funded Ratio (%) (a)/(b)	Unfunded ALL (UAAL) (b)-(a)	Equivalent Single Amortization Period in Years	Annual Covered Payroll [2]	UAAL as a Percentage of Covered Payroll (%) (d)/(e) [2]
12/31/24	2025	$ 637,698,210	$ 689,413,926	92.50 %	$ 51,715,716	11	$ 94,680,923	54.62 %
12/31/23	2024	608,392,691	659,869,967	92.20	51,477,276	11	86,895,204	59.24
12/31/22	2023	584,747,116	639,144,394	91.49	54,397,278	11	79,812,406	68.16
12/31/21	2022	568,808,555	613,057,391	92.78	44,248,836	11	78,289,774	56.52
12/31/20	2021	540,803,854	586,368,152	92.23	45,564,298	12	78,960,617	57.71
12/31/19	2020	513,963,111	566,908,565	90.66	52,945,454	13	77,952,017	67.92
12/31/18	2019	490,140,485	545,089,671	89.92	54,949,186	14	75,570,212	72.71
12/31/17	2018	469,640,036	522,622,710	89.86	52,982,674	14	72,840,621	72.74
12/31/16	2017	444,939,761	501,315,736	88.75	56,375,975	15	70,066,638	80.46
12/31/15	2016	424,808,953	479,358,126	88.62	54,549,173	16	67,329,906	81.02

(1) This schedule shows the pension benefit on a funding basis, as reported by TMRS each year. The funding basis, which is used to determine the City's annual contribution rate, uses an actuarial value for plan assets rather than a market value. This data is used to show ongoing funding progress of the plan with the normal cyclical swings of the stock market average out next year.

(2) Covered annual payroll and UAAL as a percentage of covered payroll are based on the fiscal year. The rest of the information is provided by TMRS on a calendar year basis.

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RICHARDSON
TEXAS

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